

PaymentOne. Connecting Digital Merchants and Network Operators

Our Mission

PaymentOne makes digital commerce a safer and more convenient way for consumers to buy and merchants to sell.

Market Perspective

Large Market Gains Momentum: Total spending for digital media and services will grow to over \$47 billion in 2006 with 300% growth in the sub \$10 segments. In addition, analysts estimate mobile commerce or M-Commerce will grow from \$1 Billion spent in 2004 to \$9 Billion by 2008. Finally, consumers are now demanding that operators provide "triple and quadruple play" solutions, with 82% of broadband users interested in receiving multiple services from a single provider according to InsightExpress.

The confluence of broadband growth, m-commerce growth, and consumer desire for multiple services on a single bill present a major growth opportunity for both merchants and operators. This potential also presents key business challenges that require innovative and experienced business partners to solve.

Payment Friction A Major Barrier to Revenue: PaymentOne was founded on a vision to make it safer and more convenient for each and every consumer to transact online. While merchants and operators continue to deliver richer content and services that attract more and more consumers, these customers are increasingly frustrated in the final moments and requirements of purchase and checkout. Hence abandonment rates continue to soar above 50%, and 78% of consumers polled say they'd be more likely to transact online if given safer and more convenient payment options.

Limitations Fuel Abandonment and Consumer Frustrations: While credit cards were a pre-requisite for early Internet adoption and remain a pre-requisite for doing business, they continue to leave a significant amount of revenue unrealized because of material shortcomings in their effectiveness and ability to address large segments of online buyers and prospective new consumers. Studies show that one of the key reasons that 50% to 80% of all online purchase attempts are abandoned is that buyers are concerned and frustrated with providing private financial information online.

Consumers Want Safety and Convenience: A majority of online consumers continue to indicate that they would transact more if a safer, easier and more convenient payment options was offered. According to the most recent UCLA Internet Report, over 90% of respondents expressed concerns about credit card security on the Internet, increasing from prior year concerns. The inconvenience and need for the consumer to repeatedly disclose private financial information at every point of purchase, often relatively small digital content items, continues to limit a merchant's full potential.

Turning Payment Into a Marketing Strategy: Leading merchants are making Payment the 5th P of marketing and an important component of a P&L owner's strategy. Companies must offer a broad array of options to eliminate this friction from digital purchasing processes if they are to continue to grow and prosper. They must adopt intelligent payment solutions, strategies and processes capable of better addressing consumer preferences, increasing purchases and maximizing the profitability of every transaction.

Broadband and Mobile Providers Accelerate Content and Payment Initiatives: Broadband, IPTV and mobile networks have now further changed the landscape. Until recently, Network Operators were focused solely on their core voice and bandwidth services. But to compete and differentiate, Operators realize they must now provide broader content and value-added services to drive user retention and usage. This content-enabling "triple play" or even "quadruple play" strategy requires streamlined consolidated payment, new commerce infrastructure and financial operations expertise to effectively manage a multitude of 3rd party content relationships, settlements, risk assessment and offer management controls that are not well handled by legacy systems.

Tighter Syndication, Co-Marketing and Co-Billing Are Imperative: At the same time, broadband and mobile consumers have expectations to easily and safely consolidate digital purchases to their basic bill, and not have to consistently reenter and disclose private financial and identity credentials at each point of purchase.

In order to meet this growing market trend, PaymentOne has recently extended its long standing relationships and commerce infrastructure with Network Operators to launch its Broadband Content Network (BCN). The BCN facilitates co-marketing and co-billing between digital content merchants and operators. By providing one of the industry's first intermediary platforms and a shared network of content providers, PaymentOne enables Operators and Merchants to effectively collaborate and rapidly co-market, cross-sell and co-bill digital services on and off the Operator's portals.

About PaymentOne

PaymentOne Corporation is one of the world's fastest growing Payment Services Providers (PSPs).

Founded in July 2000, PaymentOne has pioneered advanced "No Credit Card Required" payment and marketing services that accelerate the adoption of digital services and premium content. As the foundation of its services, the company manages the PaymentOne Carrier Network™ (PCN) which provides digital merchants a single integration point and direct access to 150 million billable consumers across over 1400 network operators.

PaymentOne's turnkey payment platforms, hosted commerce management and content syndication services help clients attract, convert and retain more consumers. The company's services and best practice expertise have proven to lift client revenue and subscriber acquisition rates by 25% or more.

In the last 24 months, PaymentOne has generated over \$1.5 billion in incremental revenue for clients and partners including major on line media companies, digital content providers, network operators, broadband providers and internet services such as America Online, BellSouth, Verizon, Qwest, SBC, United Online, NetZero and Time Inc.

Awards

For the last 2 years in a row, PaymentOne ranked #33 on the 500 fastest growing technology companies in North America published by Deloitte's Fast 500. The company also ranked #11 on the Top 50 fastest growing companies in Silicon Valley in 2003 and 2004. PaymentOne has been profiled twice by Forbes as "One To Watch."

Company Milestones

2005 PaymentOne named "One to Watch" by Forbes Magazine, Billings surpass \$1.5 Billion. Launches co-marketing platform and network for Network Operators and Digital Merchants.

2004 Named number 33 of 500 in North America and 11 of 50 in Silicon Valley to Deloitte Fast 500 for second year and named to the Forbes Midas List. Launches expanded hosted e-commerce capabilities. Surpassed 20 million registered PhoneBill consumers.

2003 Annual billings surpass \$420 Million. Company named to the E-Content 100, the Deloitte Fast 50 and the Deloitte Fast 500.

2002 Annual billings increase 352%. PaymentOne named a Upside Magazine Hot 100 Company.

2001 PaymentOne surpasses \$50 Million in first year billings. Launches turnkey customer care service. Files additional patents.

2000 PaymentOne founded & incorporated. Launches first PayConnect Payment Platform services: PhoneBill, WebBill, DirectBill. Signs first major customers including America Online. Files multiple US patents.

1999 PaymentOne concept incubated by CEO, Joe Lynam. Corporate funding received. Familiar and experienced executive team assembled from prior working relationships at AT&T, and related payment/billing companies.

Contact Us

PaymentOne
5883 Rue Ferrari
San Jose, CA 95138
800-747-4028
info@paymentone.com
www.paymentone.com