



Innovative Payment Solutions – case study

Total Telecom World
8 November 2011



1. QIWI group of companies
2. SSK – our key solution
3. Payment hypermarket
4. International payments
5. Unique marketing opportunities
6. Benefits for Telecoms
7. QIWI modernization program
8. Win-win-win strategy





QIWI – what services we provide?

QIWI provide service of collecting payments via different types of payments devices.

- Payment collection for ANY paid services
- Easy, fast and convenient way of making everyday payments for customers
- Secure processing of very high volume of operations at a time
- Unique marketing opportunities
- New distribution channel
- Economic efficiency improvement for Telcos

QIWI Mobile
Always with you



QIWI WEB
Online bank

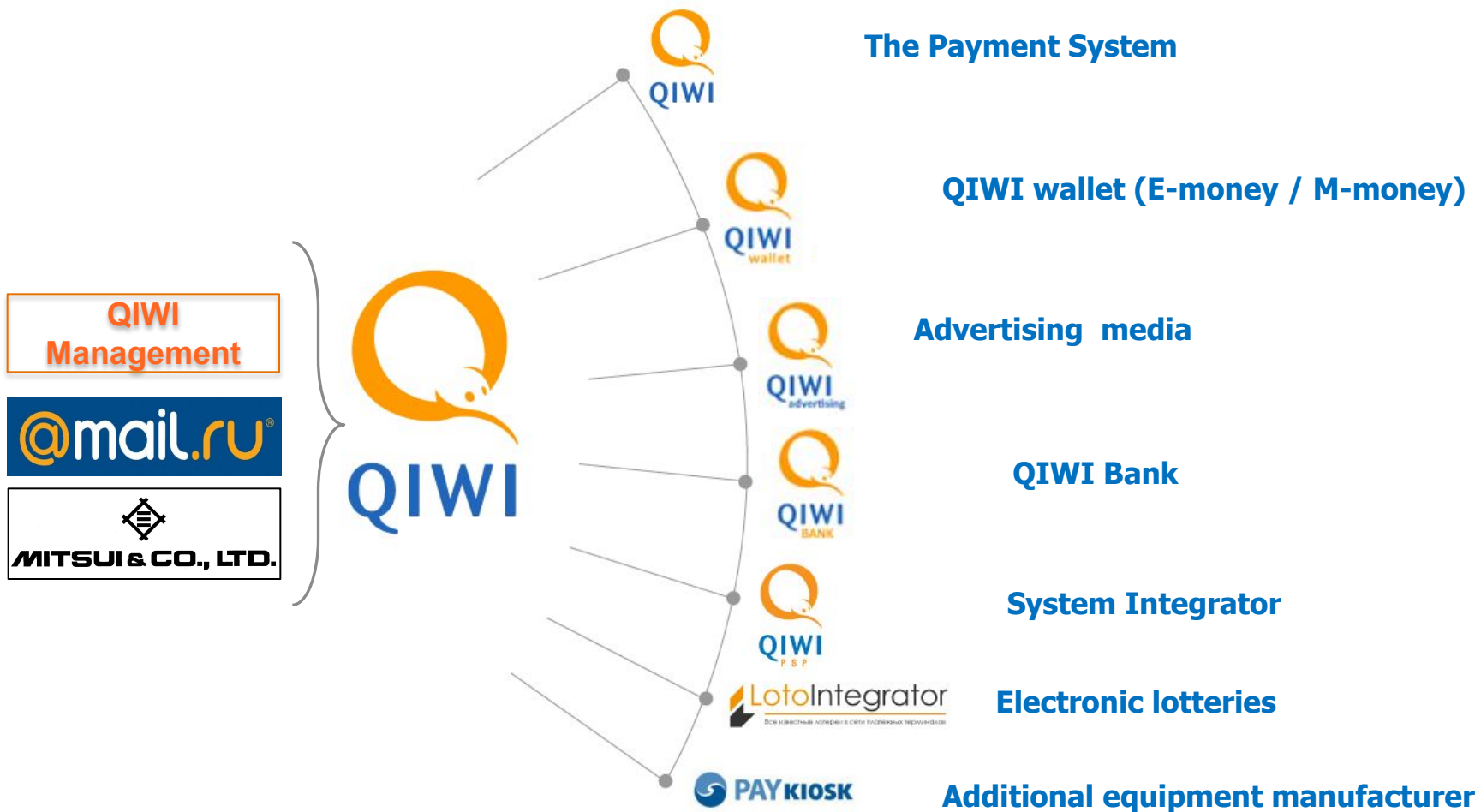


QIWI
Self Service Kiosk

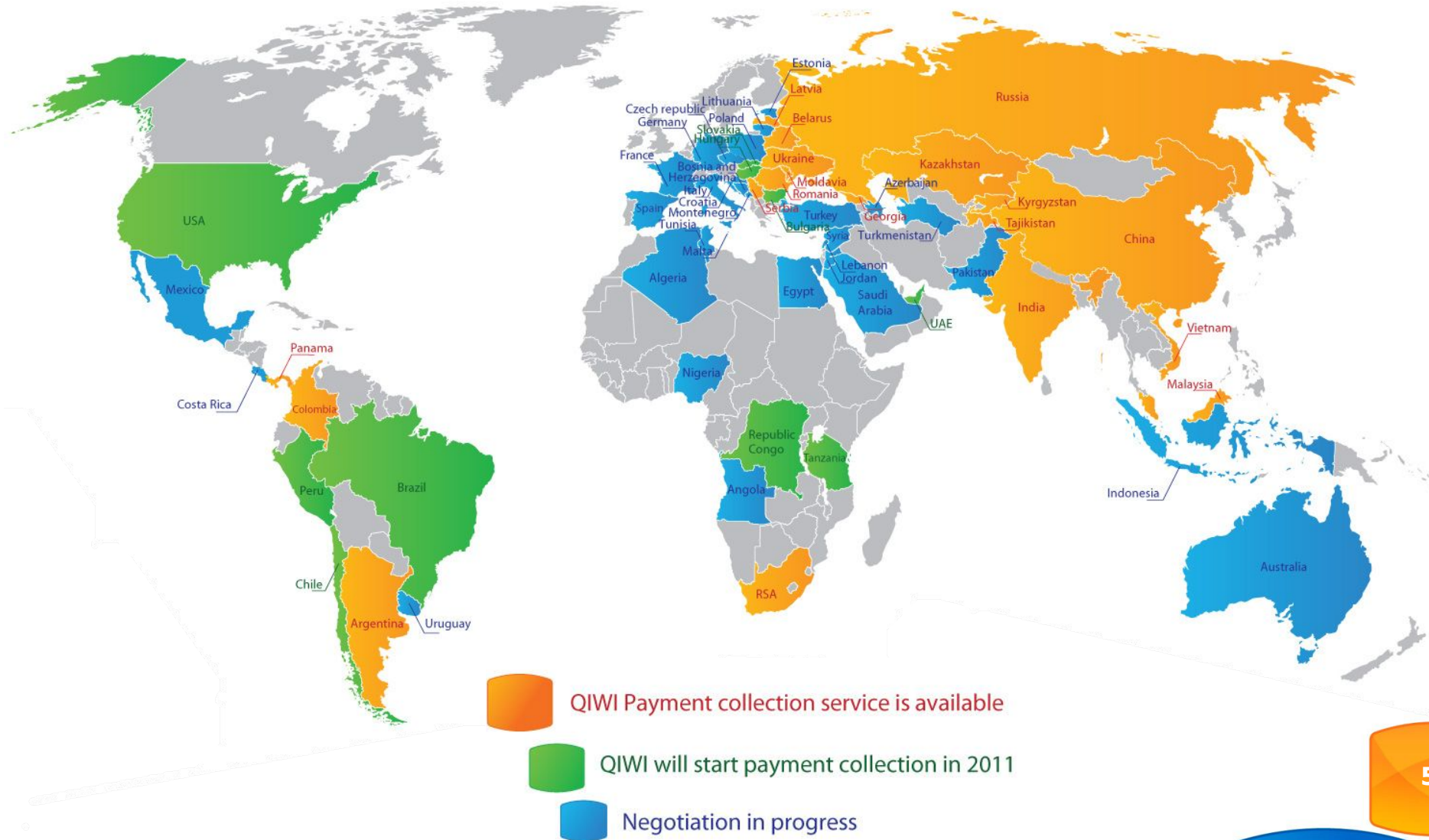




QIWI Group of companies



Business geography



A smiling woman with blonde hair, wearing a white short-sleeved shirt and a black vest, is holding a large white sign with both hands. The sign contains a list of statistics for QIWI.

19 countries
210 000 POS
126 000 self-service kiosks
5 000 service providers
\$12 B turnover in 2010
80 M unique users
Complete solution provider



Innovative payment solution – Self-Service Kiosk

□ Direct top up with flexible amounts

□ NOT AN ATM

□ Big touch screen

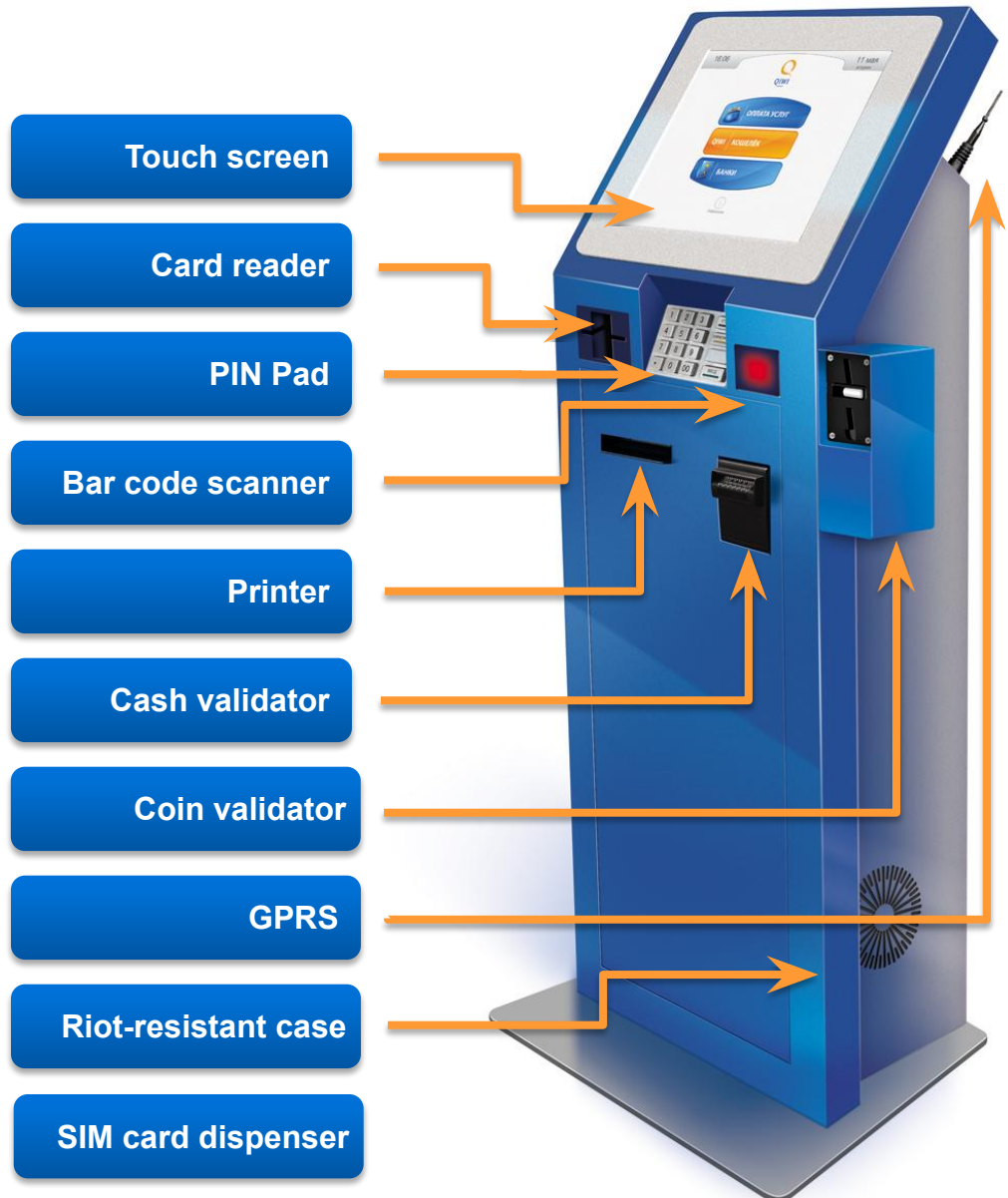
□ Advertising platform

□ Very simple intuitive interface

□ Certified for EU

□ Could be monobranded

□ Variable options



The system services - Payment hypermarket



The system services - Payment hypermarket

VISA Virtual

Catalogue goods

Tickets: Air, Rail,
Entertainment

ON Line games
Social networks

Internet sales

Housing and public utilities

Insurance premiums

Payment to budget

Credits

Periodicals subscription

And more

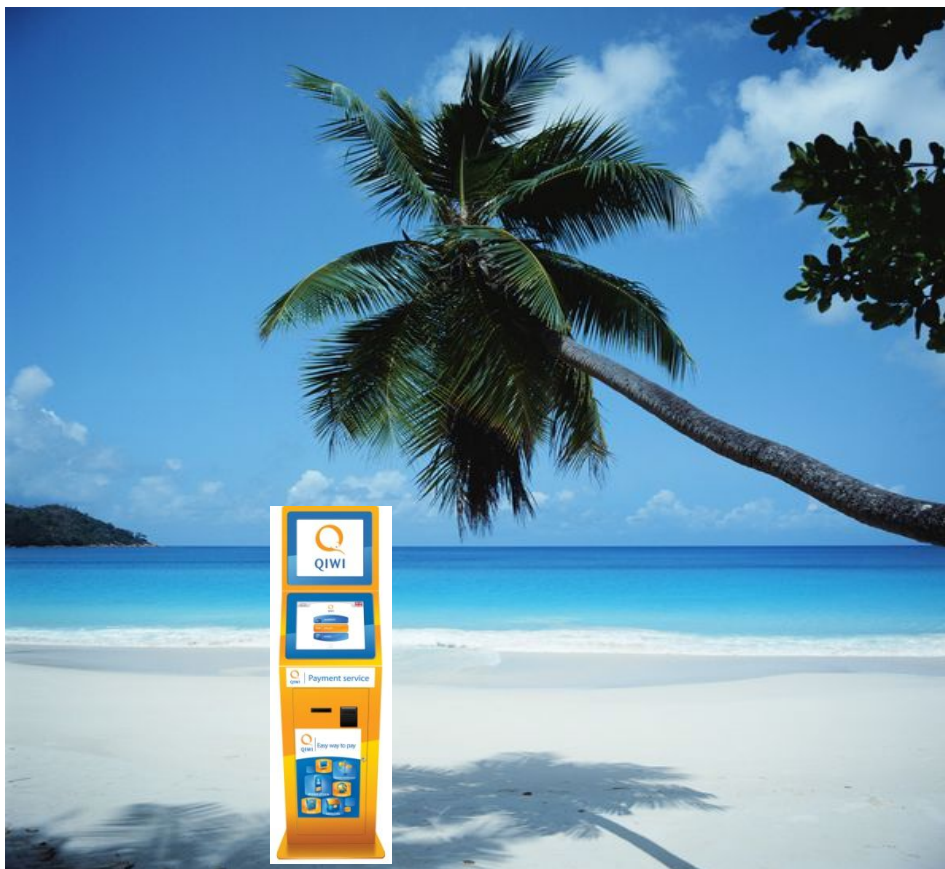
**IN COUNTRY OF QIWI OPERATION
WE OFFER 5000 SERVICES**

**THE MORE SERVICE WE OFFER THE
MORE INCOME PER KIOSK**

**THE MORE LUCRATIVE BUSINESS
MODEL THE WIDER TERMINAL
NETWORK**

**QIWI IS THE ONLY DISTRIBUTOR
THAT CAN REALLY AFFORD A
GRADUAL COMISSION REDUCTION**

International “Trans-boarder” payments



Russian consumers can top up its mobile accounts from QIWI kiosks situated in Latvia, Ukraine and Kazakhstan.

We are develop this service aiming to create a united network of QIWI SSKs which allows to pay for any service provider in any country of QIWI presence.

QIWI Advantages for Mobile operator



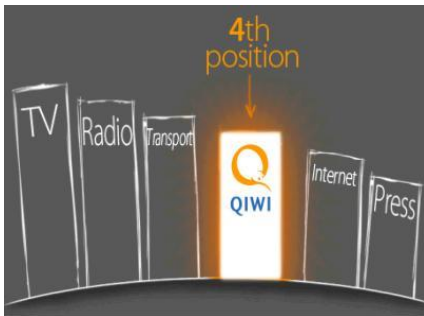
Customer experience improvement

1. Simple and easy service to use, fast.
2. Anywhere, anytime convenience.
3. Privacy of information and payment (phone/account numbers, amounts).
4. Low-value to high-value top-ups, amount is determined by customer.
5. All payments in 1 channel = payment hypermarket



Unique marketing opportunities

Advertising



11 commercial platforms in interface of 126 000 QIWI SSKs in 19 countries

High penetration



Contact with 80 000 000 people every month

Interactivity



Interactive communications and personal messages for customers

Targeting

VIP or DISCOUNT?

Get an **INDIVIDUAL REPORT** on average transaction amount in any particular location of your choice

Transaction amount low? - Offer cheap service plan

Transaction amount high? – Offer VIP



New distribution channel

- **24/7** accessibility of payment point **ON EVERY CORNER**
- Fast roll out in distant areas guarantees **increase of penetration** rate and allow to **reduce inactive subscribers** indicator (impossibility to replenish the account)
- Enables **impulse top up**
- And **increases ARPU**
- In Russia ISI decreased **From 14% to 4%**
In four years
ARPU increased by 10%
- **We are also sell contracts via SSK** (up to 50 000 in 1



Economic efficiency improvement

COST SAVINGS:

Hidden costs of scratch cards:

- 2-5% - theft+ fraud,
- 6% - commission to agents,
- 1% - production,
- 3-5% - logistic,
- 5-7% - other expenses

AVERAGE TOTAL – 12%

OPEX savings: on office rent, on amount of staff



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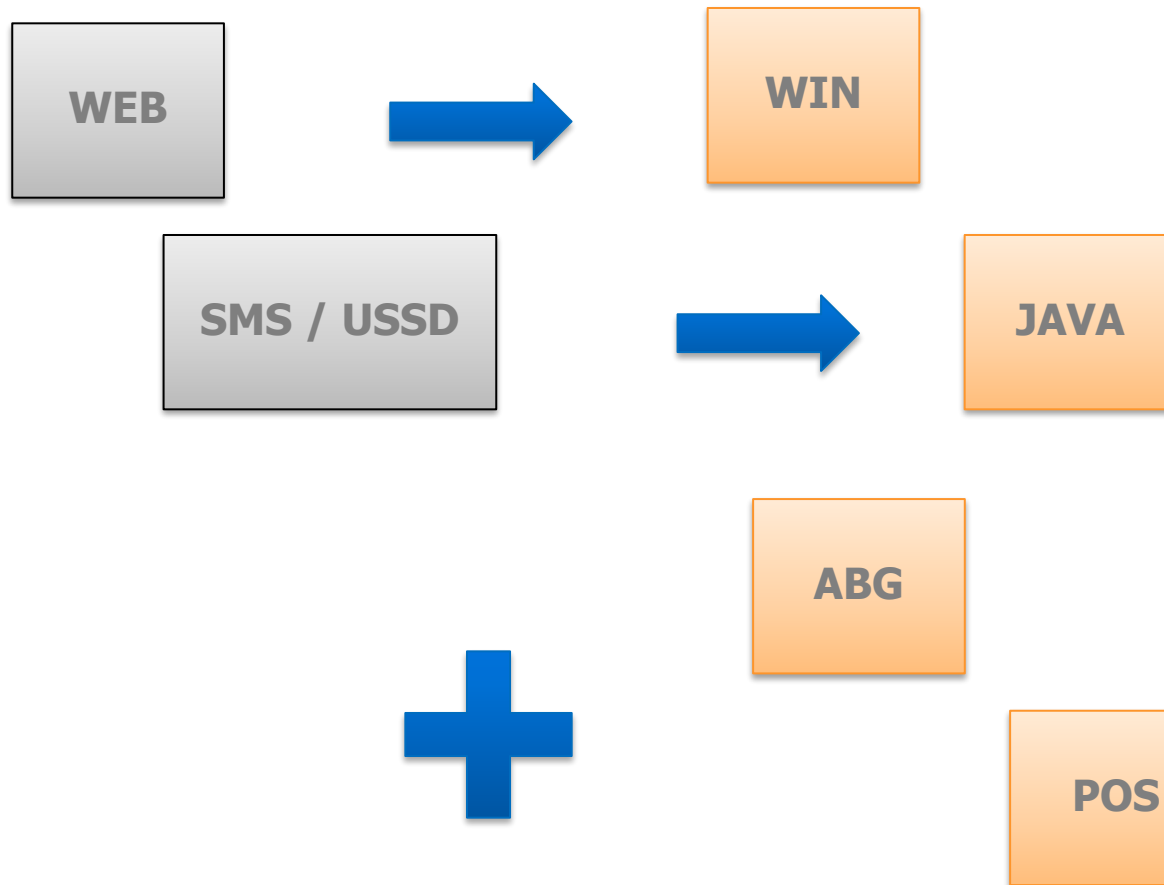
Benefits for Telecoms

1. Costs reduction at no risk
2. Enabling lower ARPU customers and impulse top-up.
3. Increase of penetration rate
4. ARPU raise
5. Inactive subscribers index decrease
6. Significant raise of prepaid contracts share
7. Direct targeted interactive communication channel
8. Easy and instant time to market introduction of new products, promotions, features with high CTR. (Mobile TV, Internet, etc)
9. Contract sales
10. Enhance of mobile commerce
11. Significant increase in total volume of direct top-up transactions.
12. 24/7 comfortable and efficient service for customers





QIWI – modernization program



**WE CAN MODERNIZE YOUR EXISTING DISTRIBUTION NETWORK
AT ZERO INSTALLATION COST, ON A TRANSACTION BASIS**

Customers

Simple and reliable
service for everyday
payments

Telecoms

Costs reduction
Marketing opportunities
Customer loyalty

QIWI

Introducing integral
solution to new markets

