



2008

The Largest Cash Acceptance Network in Russia and CIS  
Over 200 000 cash payment acceptance (Top-Up) outlets



## PREPAID PROCESSING BUSINESS WITH FLEXIBLE MICRO TOP-UP

For:

**Mobile Communication Brand Stores**

**Payment Terminal Networks**

**Retail Chains**

**Cash Desks**

**Banks**

**CyberPlat<sup>®</sup> operating results for 2007:**

- over 1.2 billion transactions
- over \$ 4.74 billion financial turnover

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## Brief Company Overview



**CyberPlat® (est. 1997) is a versatile multi-banking integrated payment system providing the whole range of financial services – from micro-payments to interbank settlements.**

The system processes multicurrency payments in any amounts beginning from \$ 0.01, providing cost-efficient and reliable processing of various transactions. All transactions are encrypted and executed online.

In 2007, the number of processed transactions reached 1.25 billion.

The total turnover in 2007 amounted to \$ 4.74 billion - 80% annual growth. CyberPlat® brings near 25% of revenues of all Russian mobile operators, including MTS, VimpelCom, MegaFon. The entire \$ 17 billion Russian GSM market is the fourth biggest in the world.

CyberPlat® accepts payments in favor of over 300 providers. The system's cash acceptance network comprises over 200 000 outlets in CIS countries, Austria and Germany. New office have recently been established in Mexico. The headquarter of the company and the European processing center is located in Zürich, Switzerland.

CyberPlat® is an associate member of the GSM World Association.

The company Web site: <http://www.cyberplat.com>



## CyberPlat® Business

**CyberPlat® focuses on B2B payment processing. Most of the revenues are currently generated from top-up payments for mobile operators, though commercial TV, utility bills and consumer loan repayments are showing significant growth.**

### **CyberPlat® is currently active in three main segments:**

- Payment processing for over 300 companies, pre-eminently for:
  - Telecommunication Services (Mobile Network Operators, fixed-line, long-distance and international telephone operators, Internet service and IP telephony providers).
  - Digital television.
  - Housing Utilities.
- Payment acceptance processing in the B2C segment via cash acceptance points in retail chains, cash-in terminals and bank ATM networks.
- Money transfer and remittance processing as an integrating hub for several international money transfer networks.

### **Features:**

- Multi-instrument micropayments and top-up.
- Integration of various tools for diverse businesses over the Internet: electronic documents interchange, plastic cards processing, Internet banking, etc.
- The single entry point both for operators and payment acceptance networks members (dealers, points of sale owners).

Most of CyberPlat®'s turnover comes from Top-Up payments processing for mobile operators.

### **1Q of 2008 Turnover Breakdown:**

- 94% - From mobile operators.
- 2.3% - From commercial TV.
- 3.7% - From fixed telephone lines, alarm services, utility bills, consumer credit, internet access, etc.

CyberPlat® is the largest partner of major Russian mobile operators: Beeline, MTS and Megafon, based on volume of processed payments from subscribers.

## Integrating the Market



**CyberPlat® business growth stimulates the overall telecom services market expansion by enlarging the subscriber base due to a wider cash acceptance network and the top-up conditions which are attractive for new groups of subscribers.**

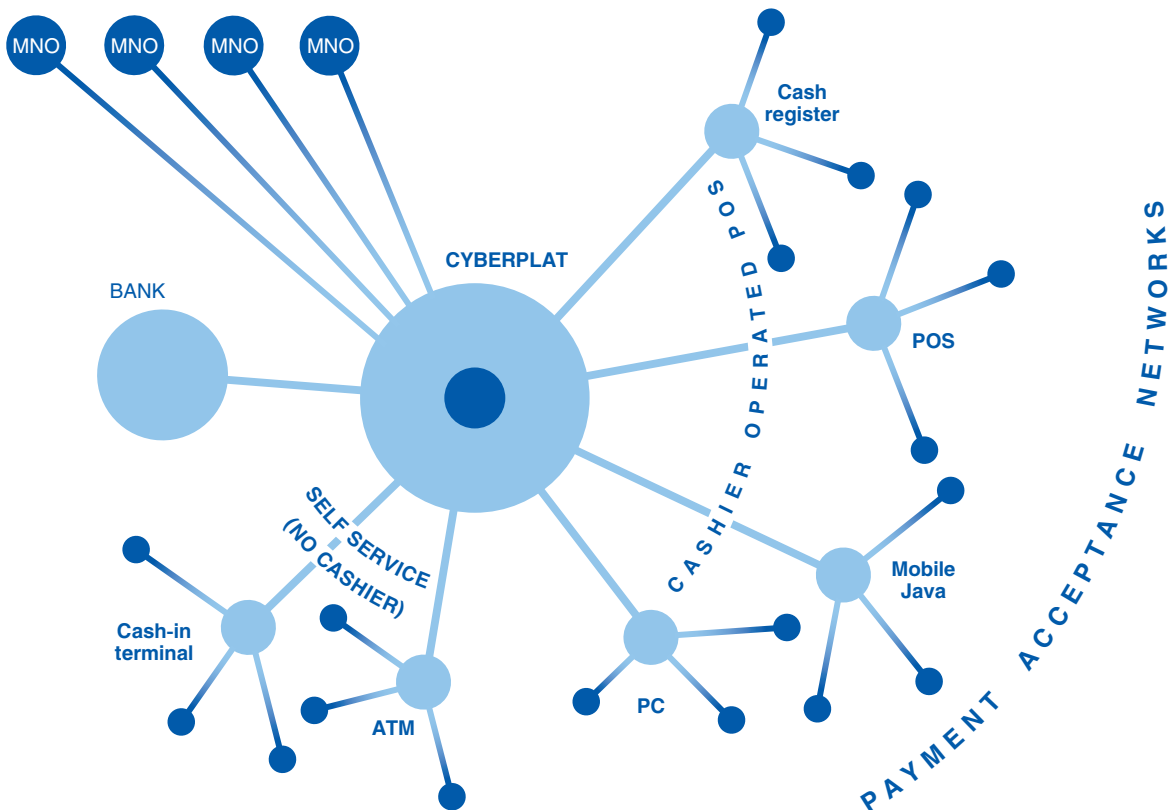
CyberPlat® makes the top-up easier and reduces the minimum top-up amount. It attracts the youngest part of the population and other low income groups with an average top-up amount under the typical scratch card face value (5 - 10 Euros). According to the CyberPlat® statistics, this category makes up to 70% of all transactions.

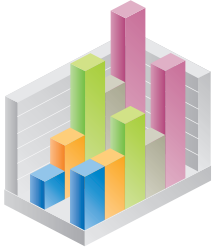
In Russia, the full-scale implementation of the CyberPlat® technology by GSM operators increased the number of subscribers up to 45%, and raised the revenue by 20%, compared with the previous situation when 90% of the subscribers used prepaid cards.

In Kazakhstan, CyberPlat® helped one of the leading mobile operators to expand their subscriber base from 0.6 to 4.86 million people in 18 months by adding over 3,500 acceptance locations to the chain and letting people to top up with any small amount of money.

According to Deloitte&Touche, a 10% increase in mobile penetration, i.e. the subscriber base, leads to a rise of the country's Gross Domestic Product by 1.2%. (This data is published by GSM World Association: [http://gsmworld.com/news/press/\\_2007/press07\\_25.shtml](http://gsmworld.com/news/press/_2007/press07_25.shtml))

### Telecom carriers & service providers



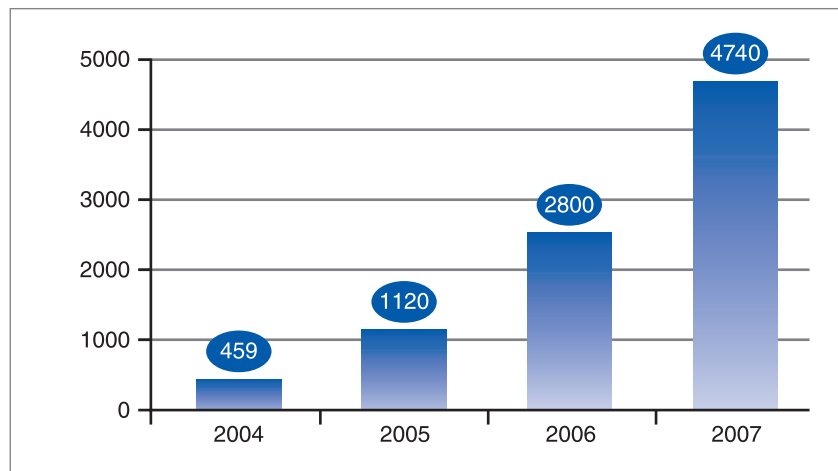


## Growing Faster than the Market

**In early 2008, over 140 000 cash acceptance outlets joined the CyberPlat® cash acceptance network. The actual number of trade and service outlets including all subagents effecting payments through CyberPlat® exceeds 200 000.**

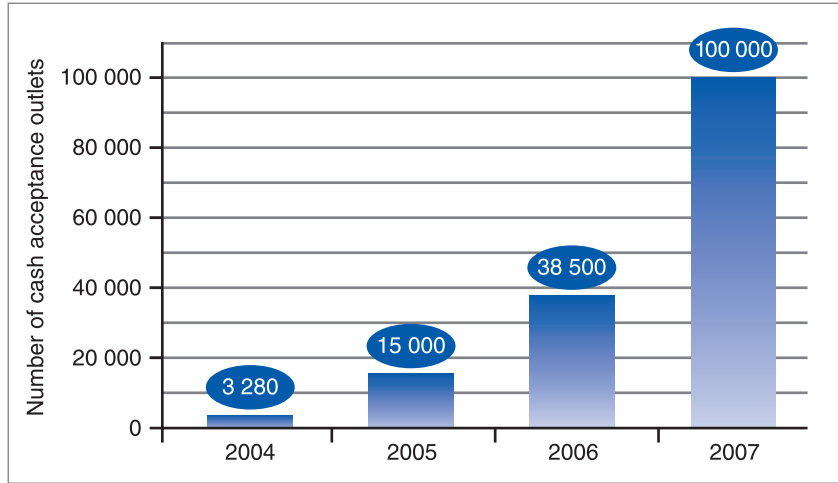
**The company financial turnover in 2006 exceeded \$2.8 billion, and was over \$4.74 billion in 2007.**

### Payment value dynamics



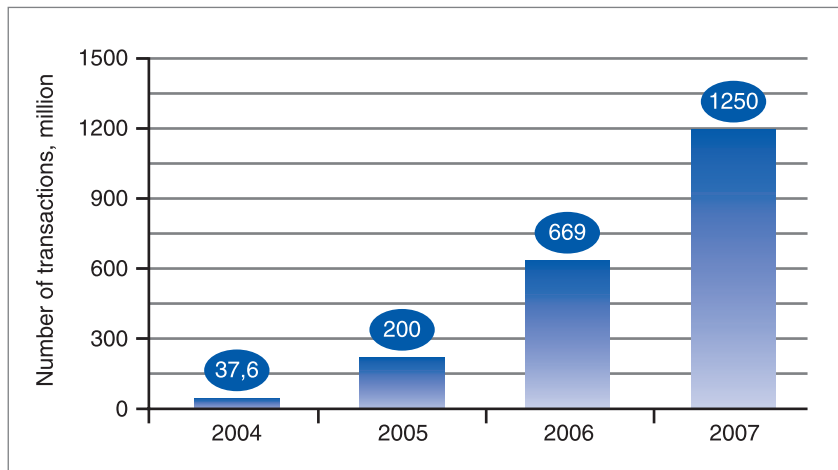
The CyberPlat® transaction processing subsystem enables effecting cashless settlements for e-commerce and makes the whole system working under «real money in real time» principle. In 2004, 37.6 million operations were transacted through the CyberPlat® payment system, whereas in late 2007, the system processed over 120 million transactions each month.

**The number of cash acceptance outlets volume dynamics**



The officially declared number of Russian mobile carriers subscriber base is 164.8 million (SIM-cards total), as of January 1, 2008. The overall turnover of all Russian mobile operators in 2007 estimates to \$17 billion, which implies that CyberPlat® collects about 25% of all earnings of Russian mobile operators being the largest partner for MTS, Beeline and MegaFon in terms of value and volume of payments accepted from the subscribers.

**Transactions volume dynamics**



## Awards

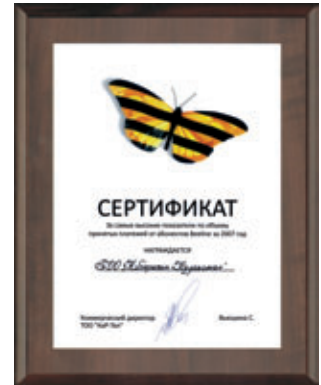
The steady growth of financial turnover and improvement of service quality make the CyberPlat® cash acceptance network the leader in its market sector.



«Beeline»  
2007 г.



«Beeline»  
2006 г.



«Beeline» («KaR-Tel»)  
2007 г.



«Beeline»  
2007 г.



«MegaFon»  
2007 г.



«Beeline»  
2007 г.



«MegaFon»  
2008 г.



C-News Award  
2007 г.



«MTS»  
2005 г.

The Company's business performance was distinguished with similar diplomas of other largest mobile communication services providers as well.



## International Operations

**CyberPlat® allows the subscribers to top up in all the countries of operation, even while being abroad and in roaming.**

A subscriber can top up, for example, the account at Russian mobile operator while being in Kazakhstan or Ukraine. The money is accepted in the local currency (Tenge or Hryvnya), and the account credited in Roubles. CyberPlat® has already created wide cash acceptance networks in those countries.



















Since 2007, CyberPlat® operates in Europe, too. The international top-up can be effected in Germany and Austria, and further expansion is planned. CyberPlat® accepts top-up payments for domestic operators in Germany and Austria, too.

The EU operations office and processing center is established in Zürich, Switzerland.




The international top-up infrastructure created by CyberPlat® provides very comfortable environment for citizens of different countries to pay for their needs, both in telecommunication and other services. This service is much appreciated by the subscribers of mobile operators that reside in the neighbouring countries.

### Major International providers

#### Countries with the wide cash acceptance networks

 <b>Germany</b>	 Vodafone DE	 T-Mobile DE	 O2	 E-Plus			
 <b>Austria</b>	 Orange AT	 T-Mobile AT	 Telering	 Mobilkom	 Bob	 Yesss!	 Three
 <b>Kazakhstan</b>	 Beeline	 K' Cell	 Activ	 NEO			

#### Countries with the payments only for local operators

 <b>Ukraine*</b>	 MTS	 Beeline	 life:)	 Kievstar
 <b>Uzbekistan*</b>	 Beeline			

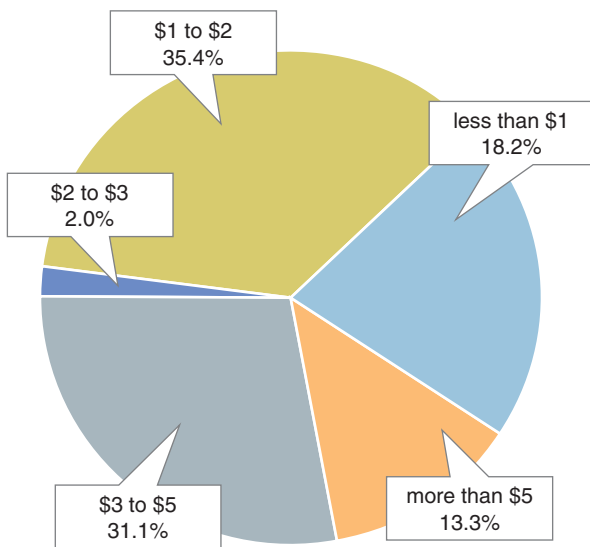
## Bridging the Digital Divide with Micro Payments: Social Mission and Business Benefits



Payments of very small amounts have long been considered a challenge for any payment system. There is an obvious lower limit under which any transaction would not be reasonable. Nevertheless, there is a strong – and growing – demand for such transactions in the modern economy, especially in the telecom and content sectors, both from the post-industrial knowledge-based businesses and low-income people.

CyberPlat® is the first payment system in CIS capable to cope with this challenge. The value of a single transaction in the bulk of top-up transactions via the system is well under \$ 5, as can be seen on the diagram.

**Distribution of values of payments in the total number of transactions processed by CyberPlat®**



CyberPlat® has the capability to process payments for any amounts starting from \$ 0.01 up to a ceiling stipulated by law, with the minimal increment of \$ 0.01.

In the wider context micropayments can play a very important social role: without them, the low income part of the population can simply be deprived of the access to the modern means of communications and services. This deprivation leads to widening and deepening of the digital divide.

Moreover, if the people with insufficient funds obtain a possibility to top-up their telecom accounts with those amounts of money they do have, it can boost the telecom market itself, attracting even those people that otherwise could not afford using the telecom services at all. Any teenager having \$1- \$2 can top-up their account via CyberPlat® at any point of sale to make use of, say, SMS service. CyberPlat® provides features that encourage medium- and low-income people to use the modern technologies, first of all, mobile communications and the Internet. This helps to close the “digital gap” between different social strata. The ten-year statistics clearly shows that the CyberPlat® payment system provided a very serious positive impact on the increase of the mobile penetration rate in Russia and CIS countries.

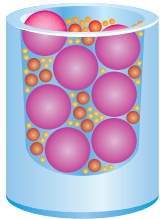
Successful experience of implementing micro- and flexible top-up solutions has demonstrated that the above mentioned category, even in relatively wealthy CIS countries, forms around 40% of the overall subscriber base, and is not involved into mobile communications. Covering this category raises the subscriber base by up to 72%.

Their share is about 20% in the developed countries which as well have low income groups of population, therefore such increase can reach 25%, or even 400% in the developing countries where those groups form the main part of the population (circa 80%).

**According to the study of Deloitte & Touche\*, a 20% mobile subscriber base increase may lead to a 2.4% growth of the country's GDP, as it is well-known that the development of telecommunications serves a driver of economic growth.**

It is important to point out that the economic effect is achieved not so much via economic factors, but due to emerging new subscribers.

*\*According to Deloitte & Touche, a 10% increase in mobile penetration, i.e. the subscriber base, leads to a rise of the country's Gross Domestic Product by 1.2%. (Data published by GSM World Association: [http://gsmworld.com/news/press/\\_2007/press07\\_25.shtml](http://gsmworld.com/news/press/_2007/press07_25.shtml))*



## Current Trends in MNO Business

### Operators' business development logic

The business of a mobile network operator usually develops in three stages (in terms of customer base):

1. First, high value customers (big spenders)
2. Then, middle class customers
3. Then, low income/low ARPU customers

#### First stage: high value clients

There are not so many of them. Nevertheless, each one generates a good revenue spending a good money on the mobile communications. They all have bank accounts, and the fat ones, which means low risks. So both customers and the MNO usually prefer credit forms of payment (post-paid, credit cards, direct debit).

But this category is played up rather quickly, so the MNO has to look at the next one.

#### Second stage: middle class

Middle class customers form much wider market. This market is further subdivided in many segments, ranging from "upper middle" with features very similar to the high value customers to the "bottom" which consists of the customers that tend to control their spending very strictly. In average, this category brings much lower ARPU than the previous one. MNOs usually combine for them pre-paid (less) and post-paid (more) payment methods. Traditionally, in many countries scratch cards are used as a refill instrument for those customers.

#### Third stage: low income/low ARPU customers

When the middle class market is saturated and the competition becomes hard, MNOs usually face the lowering of the ARPU due to the tariff race. Then they start to look at the low income part of the population which form relatively wide market in terms of quantity.

This category of customers involves higher risks, many of them have no bank accounts. So the preferable method of payment for them is prepaid.

### Payment technology progress

Meanwhile, the transaction costs are going down. There are several reasons for it. First of all, the IT costs are going down: both the hardware and periphery become cheaper each year. Further, the telecommunications costs are lowering, too. And the new technologies make the situation even more advantageous to the MNOs.

All this reflects in the lower payment amounts that it is still reasonable to process online. If a decade ago it was \$ 10-20, today it is less than \$ 1. It is feasible now to accept micro-payments with very low values, and moreover, payments of arbitrary value: flexible payments.

The prepaid wireless industry is expected to grow from \$8.3 billion in 2005 to \$31.3 billion in 2010, according to *Wireless Growth Winners, Prepaid & Hybrid: 2006-2010*, a recent study conducted by leading telecommunications industry research consultancy ATLANTIC-ACM. It will necessarily require to widen the use of flexible micro-payments to top-up prepaid accounts.



### Customer behavior

**Customers in low ARPU sector are not necessarily poor.** For example, children and teenagers may come from rich families, but they usually have only pocket cash and no bank account. Labor and other migrants, even with good salaries, may not have bank accounts, and they usually save money for their relatives at home -- so they are not willing to pay what they regard as excess money. Foreign tourists do not have bank accounts, too, but they buy as much airtime as they need usually regardless of price. And there are thrifty people that simply like to control their spending.

**Paradox: new “low-ARPU” customers are not “low-ARPU” forever:**

- People begin to refill frequently thus decreasing “silence periods”.
- They buy content and services as soon as they need them (provided that they have a possibility to pay the exact amount).
- They increase their spending because of convenience and ease of use
- Youngsters grow up and remain loyal customers.

### Scratch cards don't do it

- Refill cards' face values start from \$10, for some operators \$15 or even \$25
- No way to pay an exact specific amount with a scratch card or a voucher
- A low income person having \$10 does not buy a refill card, they would rather buy a snack
- But they will pay \$2 a day to keep the phone working

### Content and VAS selling

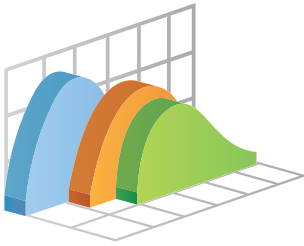
To buy content or service with a scratch card or a voucher, a customer has to:

- refill the mobile phone account (with minimum amount of \$10);
- pay for the content from the account.

This requires two actions and excess money, because one can not refill the account with the exact amount to pay for the service (to buy \$ 1 track one needs to pay for \$ 10 refill card).

Flexible micro-payments allow to pay in cash just the price of the content or service you want to buy (e.g. 1 day of air time, 1 track of music, 1 picture, and so on).

## Case Study



**Subscriber base dynamics in the years of the fastest growth correlates with the growth of CyberPlat® cash acceptance points number. The sufficient part of the subscriber base growth comes from the low ARPU sector.**

The most spectacular subscriber base growth is in the years when the top-up acceptance chain started to allow the low income people to use cellular phones (2004-2005). Low ARPU sector still grows despite the overall ARPU growth due to VAS and other ARPU rising products.

### Cash acceptance chain and the subscriber base

Year	Cellular subscribers in Russia, Million	Subscribers with ARPU < \$4, Million (estimated)	Low ARPU subscribers share, per cent	CyberPlat® cash acceptance points
2004	80	8	10	3,000
2005	125	31	25	15,000
2006	137	34	25	38,500
2007	164	43	26	120,000

The figures were taken from various public sources (usually for the end of the year) and rounded.

The table above shows the following development:

- 45 M overall subscriber base growth (56%)
- 23 M of them in low ARPU sector (288%)

This growth was stimulated by simultaneous (and even leading) increase in CyberPlat® cash acceptance points number, ensuring the possibility of low ARPU subscriber base itself. (The cash acceptance points number have raised in this period by 500%.)

Then the subscriber base growth rate slowed down to moderate (12 M, 10%), but the subscribers' behavior changed towards new ways of top up: flexible micro-payments via a wide chain of acceptance points at every location.

Then the cash acceptance chain grew much faster due to the fact that this has become a profitable business for every retailer. The overall subscriber base growth amounted to 27 M (20%), 9 M of them in low ARPU sector (27%).

CyberPlat® cash acceptance points number still continues to rise to support the subscriber base growth. The process becomes self-supporting due to the shear benefits for the cash acceptance points owners.

**Beeline subscribers/ARPU dynamics**

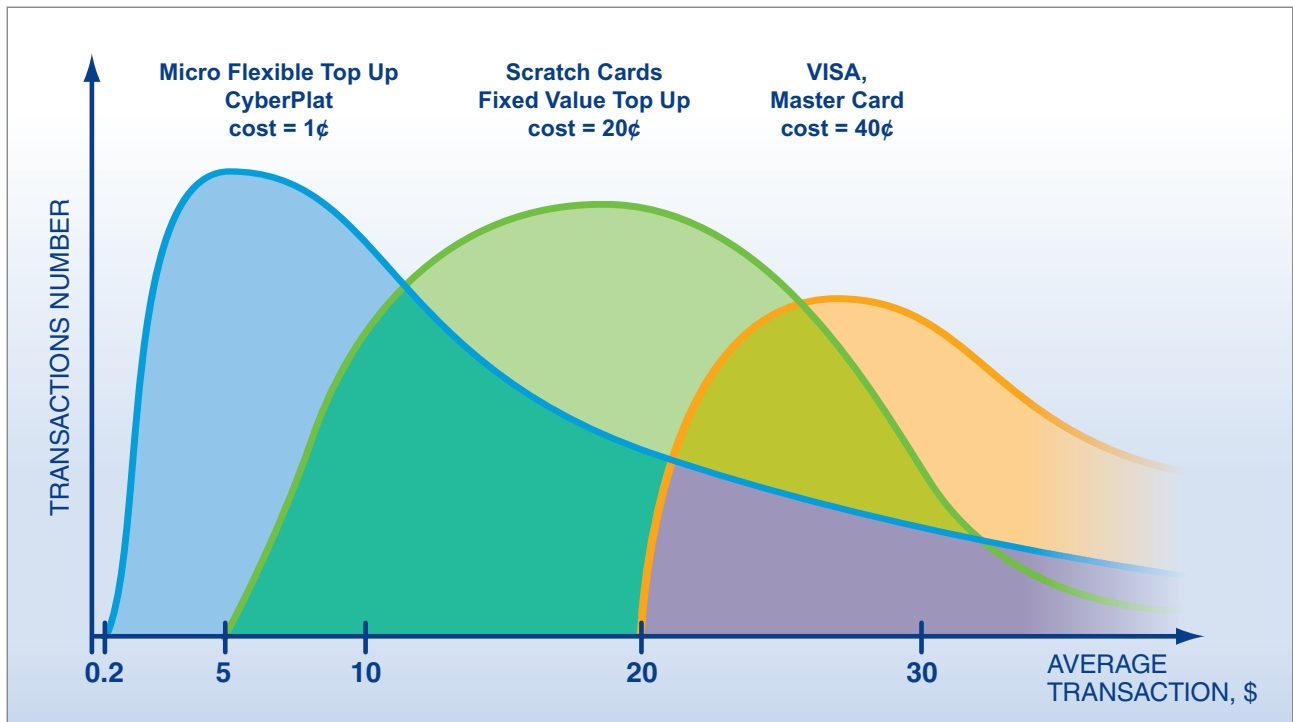
	2003	2004	2005	2006
Beeline subscribers ARPU in Russia, \$	13.6	10.1	7.4	7.9
Beeline subscribers, Million	11.5	26.6	45	52
Beeline net operating revenues, \$ Million	1,330	2,113	3,211	4,869
Beeline OIBDA, \$ Million	613	1,027	1,571	2,452

Source: Vimpelcom annual reports. OIBDA: operating income before depreciation and amortization.

Low income people contribute the most to the growth. Financial figures clearly show that ARPU decrease does not mean profit decrease.

**Advantages of CyberPlat® technology**

Based on CyberPlat® experience and data



## Benefits for Businesses



### Mobile Operators

#### The implementation of the CyberPlat® technology helps to:

- facilitate an approximately 20% increase in the mobile operators' subscriber base and increase the revenue by estimated 10%;
- reduce the "silence period" and expand the cash acceptance network, thus get the revenue growth by additional estimated 5%;
- reduce the collection costs by phasing out plastic/paper scratch-cards, and the flexible direct top-up share of the operators' earnings will grow, adding another 2% to the revenues.

As a result, the mobile operator's subscriber base may grow by up to 20% and the revenue by up to 17%

### Mobile Payment Systems

CyberPlat® can be used as a stable and reliable transaction processing providing real-time information exchange between different mobile payment systems, as well as between a payment system and the operators, at very attractive costs. Using this service simplifies operations and allows the mobile payment system to connect to many operators via just one single point.

### Solution Providers

Companies that offer their IT solutions to mobile operators (e.g. billing systems) can include a gateway to CyberPlat® in their product. Thus they can give their clients a possibility to connect to the working large scale top-up acceptance system with literally one click.

### Retail Networks

Using CyberPlat® system, a dealer can attract more people to come to the outlets for top-up. As the experience shows, many of them would buy some products or services from the outlet, too. Moreover, the top-up acceptance business generates a sheer revenue itself.

### Banks

CyberPlat® provides banks with the new services: top-up and payment acceptance via ATM and self-service payment terminals. A bank can use its own ATM network or enhance it with the payment terminal network to accept payments in favor of current and future CyberPlat® operators. This will increase the client base and revenue of the bank.



## Proposition to MNOs

### **Use CyberPlat® to:**

- Reach an audience that do not have credit cards (e.g. youth, “cash only” people, migrants) but have cash (pocket money)
- Allow them to purchase and download content using cash micro-payments (\$0.25 to \$2 worth)
- Increase their consumption of digital goods – ringtones, music tracks, “smileys”, bitmap pictures, etc.
- Increase their usage KPIs – APPM, ARPU, etc.
- Acquire new subscribers that will/can pay only cash
- Enjoy additional Costs Savings

### **Business effects on partners (Fast Food Chains, Retail Chains, etc.):**

#### **Increase in business volume and cash receipts**

- From existing customers that will pay for services that otherwise would not been bought or bought elsewhere
- From ad-hoc (walk in) customers who intended to buy something via micropayments but bought something else as well
- Get the commission on the proceedings

#### **Saving from reduction of working with “small change” that will go for micropayments**

- Leaving the “small change” in cash registers improves the cashier performance and effectiveness

## Proposition to Banks



**CyberPlat® offers banks to attract new customers, to start new businesses and to make more revenue with CyberPlat® technology.**

Connect to CyberPlat® payment system and start accepting the payments in favour of hundreds of mobile network and fixed line operators, Internet service and IP telephony providers, airline ticket services, utility companies, etc.

The payments can be effected in the bank's ATMs or in the self-service cash-in terminals. By creating the self-service terminal network a bank can in addition to the payments acceptance use them for money transfer operations (for sending money). The cash-in operations via terminals cost much less than via ATMs or bank outlets.

The ATM network profitability can be enhanced by adding the payment acceptance function. The experience in Russia and CIS countries shows that the profitability of an ATM increases by 25% average. Moreover, a bank's costs go down because the payment acceptance operations in the ATM don't require to use the cash dispenser, and so to load it with bills.

CyberPlat® also offers to enhance the POS terminals that banks use for their cards acquiring activities with special software allowing to accept both cards and cash payments using the same equipment.

CyberPlat® can offer the banks many profitable ways to cooperate. Contact us to learn more.

## Proposition to Payment Systems



### International Top-Up via Payment Gateways Exchange

CyberPlat® offers to Payment Systems to do the International Top-Up (ITU) business together. This means that the Payment System could buy airtime from CyberPlat® in the countries where CyberPlat® is currently operating, and enables CyberPlat® to resell airtime from the countries where the Payment System currently has distributor agreements. Therefore customers of both sides would be able to top-up their phones while being abroad.

### **The basic ITU operations scheme CyberPlat® uses with its dealers (companies selling the airtime for CyberPlat® operators) is as follows:**

1. After signing the agreement, CyberPlat® and the dealer arrange technical gateways between the CyberPlat® processing center and the dealer's information system. This is usually not very complicated operation and does not take much time (from a few days to a couple of weeks).
2. When a person tops up his mobile account (e.g. for 100 units of some currency) in one of the dealer's retail outlets, the information passes through the dealer's information system into the CyberPlat® processing system and via it goes to the respective operator's billing system. The mobile account of the person is topped up for the amount equal 100 units of the initial currency converted to the currency of the person's account plus some small percentage to reflect the currency rates risks.
3. The dealer increases the amount in their internal accounting system, where their debt to CyberPlat® is accounted.
4. When the amount on the above mentioned account raises to the value agreed between the dealer and CyberPlat®, the dealer sends the money via bank to CyberPlat®.
5. Upon receiving the payment, CyberPlat® sends to the dealer their dealer's fee which varies from operator to operator. Concurrently, the documents required by Russian law on the currency operations, are (automatically) completed.
6. CyberPlat® effects the necessary financial settlements with the operator in a way set by their agreement.

The procedure is adjusted to the specific needs of the dealer and the legislation of the corresponding country. Usually partners set equal commission (dealers fee) for both sides.



## International Top-Up Hub

**There were the times when it was possible to have huge commission rates on the domestic top-up. Those times are gone. There still are domestic markets in some countries with the good margin on the top-up, but they are few and narrow. In many developed markets, the large scale top-up networks reduce the margin to as little as 2%.**

### **International Top-Up (ITU) is the new opportunity to make money.**

Prepaid subscribers in the foreign countries (tourists, business people) need an instrument to top-up their accounts. It is now a new market with small competition, if any.

**The MNOs are interested in giving their subscribers such an opportunity. They are ready to pay commission:**

- 10% for their subscribers top-up in the neighboring countries;
- 15% in the mainstream tourism countries (e.g. Turkey and Egypt for EU MNOs);
- 25% in less popular tourism countries;
- Up to 30% in exotic countries.

But it is not that easy to create acceptance networks in the foreign lands!

The ITU companies in the new non-domestic markets meet problems: there are local players already, and they are not very willing to welcome the newcomers; besides, the foreign countries have their specific features and require the knowledge of the market.

It is almost impossible to penetrate a new country's market alone. It is much easier to do with a help from an existing domestic top-up network.

### **Bilateral relations require:**

- Large number of bilateral agreements negotiations and connections: hundreds of large and thousands of smaller companies to connect.
- Too many technical gateways to establish and support.
- Unmanageable maintenance and operation as a result.

Obviously, it is easier and more convenient to organize the relations as a kind of a hub and spokes.

### **The benefits of a hub concept are:**

- Just one agreement with the hub instead of many agreements with each member.
- Just one technical gateway instead of a separate gateway for each operator.
- Hassle-free operation/maintenance.

CyberPlat® offers to the operators and/or retailers (top-up acceptance points and chains) the services of such a hub, i.e. the processing services of the transactions between top-up networks in different countries and/or between top-up networks and MNOs.

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**The CyberPlat® International Top-Up Hub solution relies on:**

- 10 years proven technology.
- Very attractive per transaction prices (as low as \$ 0.01 per transaction)
- Easy connection (huge experience in making technical gateways).
- Online (1-2 seconds)
- Secure (messages are encrypted and EDS signed)
- Zurich (Switzerland) based transaction processing center

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CyberPlat® invites the domestic payment systems to create a global top-up system with tens of companies based in different countries. The system will be very attractive for MNOs, both domestic and international.

**Who needs it?**

**MNOs:**

- Roaming is profitable.
- Good roaming services are the main competitive edge.
- Ability to top-up in the roaming is the powerful advantage.

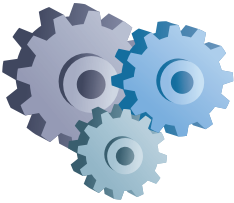
**Top-up companies & retailers:**

- The tourists are good payers.
- Commission for ITU is much higher than for domestic top-up.

**Subscribers:**

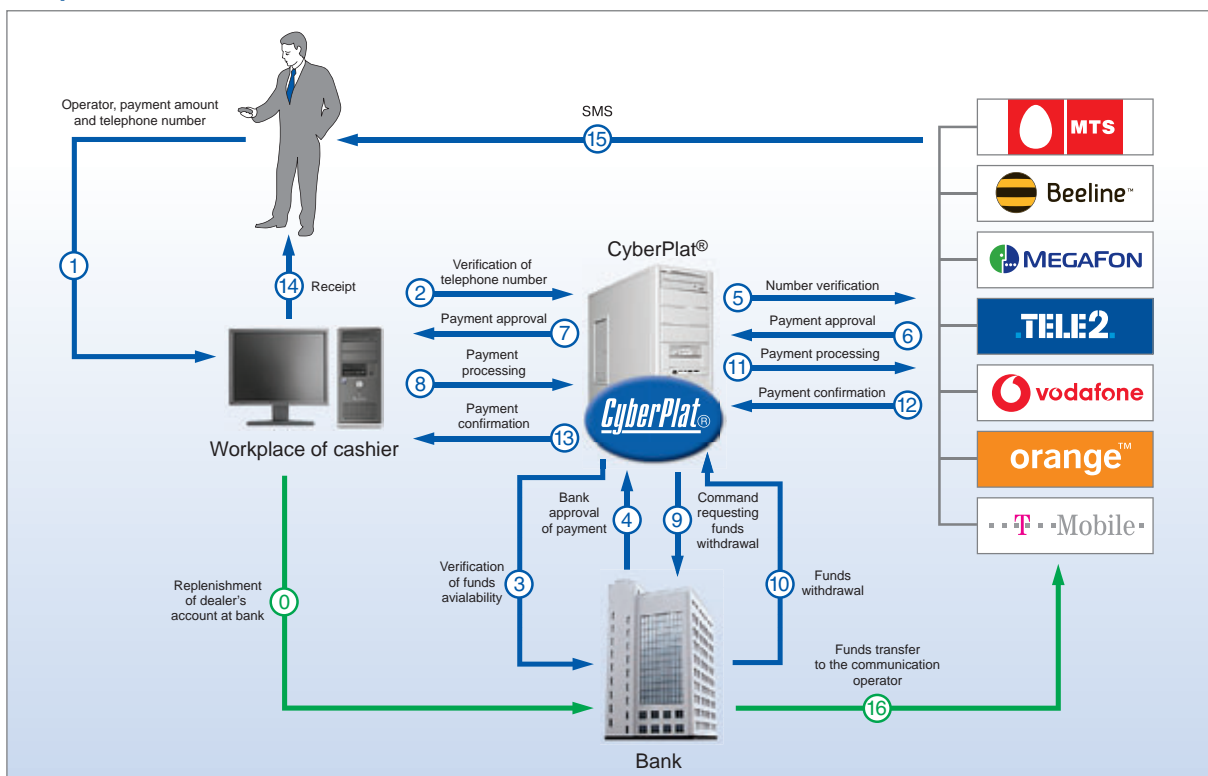
- More people go abroad each year, all with their mobile phones.
- More subscribers get prepaid.
- They all need to top-up in roaming.

## Technology Overview



CyberPlat® performs the transactions of on-line payment collection for the services provided by operators. The dealer company receiving money from the customers guarantees instant replenishment of their personal accounts in the operator billing system. A novel payment method known as (B2B)4C was devised for transaction processing. This method combines the existing schemes of the intercorporate internet payments with electronic payments of individual customers.

The process is modeled as follows:



0. The dealer places on their bank account in the CyberPlat® system settlement bank an amount of money that covers the predicted volume of transactions.

1. While paying for the products, the customers inform the cashier of their intention to deposit the desired amount to their mobile phone numbers that belong to a certain subsidiary of mobile communication operators as well as telecom service providers. The cashier enters the phone number and the payment amount and presses the Checkout button.

2. A computer or any other programmable device (POS-terminal, cash register) at the point-of-sale (POS) sends a request to the CyberPlat® server using a secure SSL internet protocol to verify the designated phone number. The request has to be supported by the electronic digital signature (EDS) of the dealer.

3. The request is then relayed from the CyberPlat® server to the server of the settlement bank of the CyberPlat® system to verify the availability of funds in the respective dealer's account. The application of SSL protocol and electronic digital signatures assures absolute safety of this transaction.

4. The bank server sends a return message to the CyberPlat® server stating whether enough funds are available on the dealer account.

5. If the bank approves the transaction, the request to verify the number bearing EDS of CyberPlat® will be sent from the CyberPlat® server to the billing system of the operator using SSL protocol.

6. The billing system of the operator verifies the existence of the telephone number and relays the payment approval back to the CyberPlat® system.
7. The CyberPlat® server then redirects the payment approval to the transaction officer's workplace at the point-of-sale of the dealer.
8. The transaction officer at the point-of-sale collects the designated payment amount from the customer and presses the button «Confirm payment» whereupon the payment is transferred to the CyberPlat® server.
9. The CyberPlat® server sends a command to the server of the acquiring bank (electronic invoice) to debit the purchase amount from the dealer's account.
10. The confirmation of the amount withdrawn is relayed back to the CyberPlat® system.
11. The payment information is communicated from the CyberPlat® server to the billing system of the operator whereupon the personal customer account in the billing system of the operator is replenished.
- 12, 13. The billing system of the operator sends a confirmation of funds receipt, which arrives at the cashier workplace at the dealer's point of sale so that the confirmation message could be seen both by the cashier and the buyer.
14. The cash register prints out and issues a sales check (receipt) to the customer; this receipt includes all the parameters of the accomplished payment (the name of the communication operator, date, amount, and a phone number).
15. The billing system of the operator sends an SMS-message to the mobile of the customer with a confirmation of the personal account refill.
16. The funds are transferred from the dealer's account at the settlement bank to the operator's account.

CyberCheck®, a technology of document interchange, is characterized by the highest speed (the standstill period of electronic payment via the system is 1 sec given a good Internet channel of the dealer), and safety is ensured through mandatory use of electronic digital signatures by both parties.

From the technological standpoint, the CyberPlat® implementation is versatile and multifunctional. The method of funds receipt does not require any material expenses on the part of a dealer company. Every POS is provided with a special software known as «Payments Module». To execute the payment the respective operator should be selected in the Payments Module and the customer details together with the payment amount should be entered into the system. As a result, the customer's account in the payment recipient's billing system is replenished in on-line mode and the money is withdrawn from the dealer account with the acquiring bank and is transferred to the operator's account.

Crediting the money to the operators' accounts may be effected by either of two methods:

1. To the transit account with the system's settlement bank with subsequent transfer to the acquiring bank of the operator.
2. To the operator's account with the system's settlement bank. Depending on the option selected, the list of documents, required for the registration process could change. The information on the registration procedure could be found on the CyberPlat® website: <http://www.cyberplat.com>.

Starting from August, 2005 it is possible to join CyberPlat® payment system online at CyberPlat® web-site: <http://www.cyberplat.com/join/dealer/>. Automatic connection to the CyberPlat® payment system is accomplished by filling out an on-line registration form.

New interaction way greatly simplifies and speeds up the procedure of new dealers' connecting. The whole procedure of automatic registration, up to the moment of contract signature on the part of a new dealer, takes no more than 5 minutes. A new member of the CyberPlat® system immediately receives an automatically generated contract agreement and all essential software. New terms and conditions of partnership also enable dealers to execute payments without opening a settlement account at the system's settlement bank.

## CyberPlat® Delivery Channels

**The option of choosing the way of payment and using different devices to remit payments depending upon dealer's facilities proves to be an important achievement of the CyberPlat® payment system.**

### The payment can be made through a cashier:



- using an Internet-connected PC (or even a smartphone) payments are effected via the CyberPlat® web-site



- through POS-terminals



- using an automated cash register (e.g. in a retail chain store) – in this case interaction with the CyberPlat® payment system is carried out through the retail company server;



- using any Java supporting mobile phone;
- using a smartphone;

- using other hardware.

### or using standalone devices:



- through payment (cash-in) terminals



- through ATMs

For example,

- POS-terminals are used in the retail chains (supermarkets and other stores);
- a special technology using companies' internal networks is applied at filling stations;
- large retailer chains selling mobile phones employ web-interface based solution or their own internal networks;
- electronic appliances chains, as well as small dealers and sub-dealers, use slimmed-down versions of the software client-end portions that can operate inter alia though GPRS.

CyberPlat® system keeps detailed records of all the transactions made using any of the above specified tools. The complete payment statistics is available on-line to the dealer administrators at the CyberPlat® web-site.



## CyberPlat® System Strengths and Features

**1. Verification of the recipient.** Effecting of payments in two stages is one of the strengths of the CyberPlat® payment system. At first, a compulsory payment authorization is performed – an inquiry on the subscriber's number existence is forwarded in the real-time mode to the operator's billing system. A personal account replenishment transaction may be performed correctly only if a positive response is received. Not all similar payment systems use two-stage scheme in their operations. It leads to numerous mistakes and claims on the part of payers.

**2. On-line (1 second).** All financial transactions performed through the CyberPlat® system are effected in real time. In case of «starvation» (temporary invalidity of Operator's billing system) clients can use such function as accumulation of payments until Operator's billing system resumes operation.

**3. Safety.** CyberPlat® is a closed type payment system. Its major distinction from open type systems lies in the fact that all parties to the payment transactions – payers (dealers accepting payments from subscribers) and recipients are strictly determined. The money from an account of a sales outlet can be transferred to the operator's account and credited to the subscriber's personal account only. It is impossible to withdraw money from the system at will of a point-of-sale employee.

**4. Incontestability.** Use of electronic digital signature (EDS) that has a 512-bit key eliminates risk of fraud and makes transaction of personal account replenishment in operators's billing system incontestable.

**5. Fail Safety.** The CyberPlat® experts performed the system's productivity and stability testing. In March 2007, the test results showed that the CyberPlat® system is capable of processing over 1 500 000 transactions per hour, or 400 transactions per second, i.e. the system's capacity exceed the current peak needs by the factor of 4. Right now the CyberPlat® capabilities significantly outrun the most rigid technical requirements of the payment acceptance market by all parameters.

## People



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In finance business since 1991

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