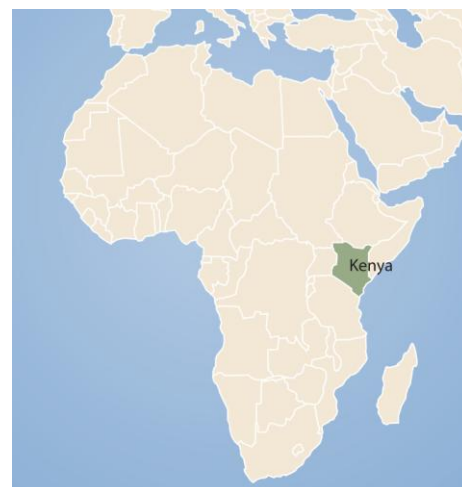


The Challenge

The mobile telecom industry is an \$874-billion-dollar industry that has revolutionized the way people share information. Usage has exploded; currently over 700 operators in 218 countries worldwide are signing up 1.3 million new customers a day. The uses for mobile phones continue to multiply—mobile phones are now used to send and receive text messages, to purchase goods in place of credit cards, to transfer money through mobile banking services, to navigate using GPS, to send and receive emails, and to browse the Internet. Mobile phones are not just a developed-world technology. Emerging markets today are responsible for 85% of new connections and account for more than half of the world's total telecom connections, with expected growth to 69% by 2010.



In the developing world, mobile phone access is of vital importance, as it enables users to become reachable and use mobile banking services, and at a fundamental level, provides a foundation from which users can join the formal economy. And yet, there are still billions who remain outside the system. In a world in which mobile connectivity is rapidly becoming the standard, many are priced out of the system entirely by the need to own a handset. While more than 80 percent of the world's population live within coverage of a mobile network, half live on less than \$2 a day; too little to purchase a mobile phone which, until now, has been a requisite to reap the benefits of mobile phone connectivity.



MOVIRTU'S SOLUTION

Movirtu provides technology to network operators in the developing world that will allow them to offer mobile connectivity to the billions at the base of the pyramid without the need to own a phone.

The market for mobile phone services to the billions at the base of the pyramid (BoP) is estimated to be \$30 billion a year. Yet this market is underserved—mobile phone operators have not been able to create products that serve and produce revenue at the BoP. Movirtu's product is devised to fit this niche.

Movirtu's Solution

Movirtu is the creator of a patent-pending mobile technology called MXShare, which facilitates the use of a mobile handset for multiple users. The technology, once installed on a network operator's system, allows a user without a handset to send and receive voice calls and text messages by logging into his or her account from any handset. By disaggregating access from ownership, MXShare provides full mobile connectivity to the one billion people earning between \$1 and \$2 a day who cannot afford to buy handsets of their own, while allowing

mobile phone operators in emerging markets to greatly increase revenue at the base of the pyramid. MXShare may also increase the usage of mobile money transfer services by providing users with a mobile identity with which they can send and receive money.



Movirtu's technology allows end users to make and receive calls, access missed calls, and send and receive SMS messages, while providing the owner of the phone with a percentage of the fee paid by the end user. Operators, upon launch of the MXShare system, will distribute cards containing a unique phone number to street sellers, and users will receive a phone number free with the purchase of a minimum denomination top-up card. The user's account is accessed by entering a pin code into any mobile handset without the need to install any software onto the phone.

Many of those who currently cannot afford a phone are already actively sharing mobile handsets with friends and family, and paying others for access. MXShare, however, provides a more optimal and more dependable method for users to be reachable and gain access to mobile banking. In addition to the benefit that comes from the privacy and security of an individual account, users reap the economic benefit of phone access at a reduced cost. From the perspective of the operator, Movirtu's technology allows them to convert existing phone-sharers into identified subscribers and regular customers, increasing revenue generation at the bottom of the pyramid.

Movirtu plans to sell the MXShare system hardware and software to network operators and provide maintenance and support services for the duration of the relationship. In return, Movirtu will receive a portion of the revenue generated by the MXShare system, and a percentage will be automatically re-distributed to the mobile phone owners who share their phone with MXShare subscribers. MXShare is very scalable—Movirtu will be able to quickly distribute the technology to mobile phone carriers throughout the developing world.

Movirtu's Partnership with GBF

The **Grassroots Business Fund** is providing Movirtu with the funds to meet its short-term working capital requirements through the launch of its commercial operations. Movirtu intends to use the funds to cover overhead expenses and the purchase of operational hardware. GBF will also provide technical assistance to support marketing, product design, human resources development, and the creation of a data collection and analysis process to measure Movirtu's social impact and economic returns.

Movirtu's Impact

The impact of Movirtu's technology on the BoP is tremendous—an increase of just 10% of mobile penetration in a developing country may boost the economic growth rate by 1.2%. Movirtu's solution has the potential to empower millions at the base of the pyramid by increasing their connection to others and more fully integrating them into the global economy.

MOVIRTU'S IMPACT

By 2012, Movirtu hopes to be **improving the lives of over 12 million people by connecting them** through mobile technology.