

## **Boeing to Design, Build and Invest in the New Ellipso Satellite Communication System**

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Mobile Communications Holdings, Inc. (MCHI) announced today that The Boeing Company is to be the system integrator for design, development, construction and deployment of the Ellipso global mobile satellite communications system.

The estimated contract value for the space and ground segments, including launch services and system operations, is more than \$1.4 billion. Up to 300 Boeing employees will work on the project, which will primarily be based in Southern California.

Boeing will be an equity investor and systems integrator contractor with MCHI for Ellipso, which is to bring affordable fixed, mobile and airborne voice and data telecommunications to new markets worldwide. Ellipso will focus on telephone service, but also will provide digital data transfer, fax, paging, voice mail, messaging and geopositioning services.

The MCHI Ellipso constellation has a unique, patented elliptical orbit configuration using two complementary sub-constellations totaling 17 satellites, one of which will be an on-orbit spare.

Use of elliptical orbits requires fewer satellites and launch services, significantly reducing costs. These distinctive orbits allow Ellipso to maximize mobile personal communications coverage of highly populated areas during peak daylight hours.

"Boeing leadership in the satellite industry offers tremendous technological and project management expertise and will strongly advance fulfillment of the Ellipso project," said David Castiel, president and chief executive officer of MCHI.

This arrangement with Boeing further validates the system's viability and signals the industry enthusiasm generated by the unique Ellipso orbital configuration bringing low-cost telephone and data service to the world.

As a systems integrator contractor, Boeing will use its capability as a large systems producer and integrator to achieve a low-cost satellite-based communication system.

Boeing, as space segment prime contractor, will take advantage of its experience with the production of the highly successful Global Positioning System (GPS) satellites. The Ellipso space segment, including satellites and launch services, will be managed by the Boeing Satellite and Ground Control Systems organization located in Seal Beach, Calif.

Besides providing the tracking telemetry and command system, Boeing also will perform at least two launches.

"Our involvement with the Ellipso project demonstrates the combined strengths of the new Boeing," said Jim Evatt, president of Boeing Information & Communications Systems. "We will be an active participant in a wide variety of satellite communications markets, including the marketplace in which Ellipso will reside. It is extremely important to our future."

Boeing also is working with Teledesic to design, build and launch the company's satellite network. Teledesic is a private company whose primary investors are cellular pioneer Craig McCaw and Microsoft Chairman Bill Gates. Teledesic, a global, broadband "Internet-in-the-Sky" system, will serve primarily fixed users. Ellipso is a mobile narrowband telephonic system that will focus on voice service. The two companies address two distinct user markets and are not competitive.

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