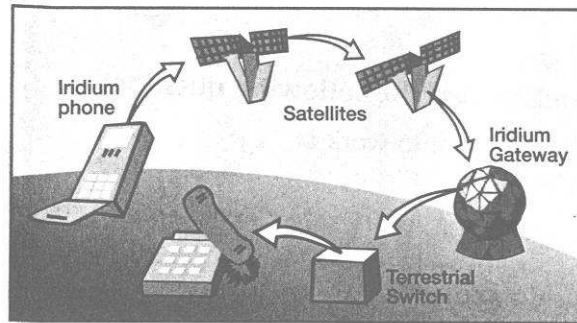


Motorola and Iridium



The Motorola Iridium satellite network

IRIDIUM WAS MOTOROLA'S grand design for a communications network that would include dozens of orbiting satellites and allow people to communicate through handsets from anywhere in the world. The project was extremely complex and took more than ten years to develop at a cost of over \$5bn. Customers had to buy Iridium handheld phones at a cost of \$3,000 and pay between \$3

and \$5 per minute for calls. The handsets were heavy and some people complained that they didn't work inside buildings and cars. Iridium never made a profit and by 1999 had gone bankrupt after failing to generate more than 55,000 subscribers – not enough even to pay the interest on the money the company had borrowed. In the meantime mobile phones had appeared on the market.