

ICO Global Communications (Holdings) LTD
Form 10-Q
August 14, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2007**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **000-52006**

**ICO GLOBAL COMMUNICATIONS
(HOLDINGS) LIMITED**

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0221142
(IRS Employer
Identification No.)

Plaza America Tower I, 11700 Plaza America Drive, Suite 1010, Reston, Virginia 20190

(Address of principal executive offices including zip code)

(703) 964-1400

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

As of August 1, 2007, the registrant had 144,547,195 shares of Class A common stock and 53,660,000 shares of Class B common stock outstanding.

ICO GLOBAL COMMUNICATIONS (HOLDINGS) LIMITED
FORM 10-Q
For the three and six months ended June 30, 2007
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PART I FINANCIAL INFORMATION**Item 1. Financial Statements****ICO Global Communications (Holdings) Limited**
(A Development Stage Enterprise)**Condensed Consolidated Balance Sheets**

(In thousands, except share data, unaudited)

	June 30, 2007	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 154,461	\$ 163,059
Restricted cash	825	825
Available-for-sale investments	44,613	76,680
Restricted investments	24,969	48,734
Prepaid expenses and other current assets	2,280	807
Total current assets	227,148	290,105
Property in service-net of accumulated depreciation of \$278 and \$186, respectively	664	373
Satellite system under construction	369,149	318,563
Debt issuance costs-net of accumulated amortization of \$12,565 and \$9,083, respectively	16,992	20,476
Other assets	14,000	14,000
Total	\$ 627,953	\$ 643,517
LIABILITIES AND STOCKHOLDERS DEFICIENCY IN ASSETS		
Current liabilities:		
Accounts payable	\$ 252	\$ 623
Accrued satellite system construction payable	13,598	43
Accrued expenses	20,900	21,656
Accrued interest	31,273	29,161
Current portion of capital lease obligations	15,337	13,023
Total current liabilities	81,360	64,506
Capital lease obligations, less current portion	2,687	4,595
Income tax payable	9,521	
Convertible long-term debt	650,000	650,000
Total liabilities	743,568	719,101
Commitments and contingencies (Note 6)		
Stockholders' deficiency in assets:		
Preferred stock, \$.01 par value, 75,000,000 shares authorized, no shares issued or outstanding		
Class A common stock, \$.01 par value, 900,000,000 shares authorized, 202,516,087 and 201,275,552 shares issued, and 144,547,195 and 143,306,660 shares outstanding	2,013	2,013
Class B convertible common stock, \$.01 par value, 150,000,000 shares authorized, 84,663,382 and 85,843,382 shares issued, and 53,660,000 and 54,840,000 shares outstanding	858	858
Additional paid-in capital	2,718,067	2,714,989
Treasury stock, 57,968,892 shares of Class A common stock and 31,003,382 shares of Class B convertible common stock	(877,489)	(877,489)
Accumulated other comprehensive income	6,302	6,273
Deficit accumulated during the development stage	(1,965,366)	(1,922,228)
Total stockholders' deficiency in assets	(115,615)	(75,584)
Total	\$ 627,953	\$ 643,517

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICO Global Communications (Holdings) Limited

(A Development Stage Enterprise)

Condensed Consolidated Statements of Operations

(In thousands, except share and per share data, unaudited)

	Three months ended June 30, 2007		Six months ended June 30, 2007		2006 (restated)	February 9, 2000 (inception) to June 30, 2007 (development stage period)	
Operating expenses :							
General and administrative	\$ 9,792	\$ 9,476	\$ 19,557	\$ 18,485	\$ 595,165		
Research and development	2,203	843	4,352	871	73,682		
Contract settlements					(74,955)	
Impairment of property under construction						1,438,304	
Loss on disposal of assets						11,100	
Total operating expenses	11,995	10,319	23,909	19,356		2,043,296	
Operating loss	(11,995	) (10,319	) (23,909	) (19,356	) (2,043,296)	
Interest income	3,149	5,050	6,538	10,631	127,904		
Interest expense	(8,234	) (10,673	) (16,215	) (22,992	) (164,222)	
Other income (expense)	9	362	(29	) 1,136	3,696	
Loss before income taxes	(17,071	) (15,580	) (33,615	) (30,581	) (2,075,918)	
Income tax benefit (expense)	(169	) 4	(342	) (36	) 120,284	
Net loss before cumulative effect of change in accounting principle	(17,240	) (15,576	) (33,957	) (30,617	) (1,955,634)	
Cumulative effect of change in accounting principle						(1,944)
Net loss	\$ (17,240	) \$ (15,576	) \$ (33,957	) \$ (30,617	) \$ (1,957,578)	
Basic and diluted loss per share:							
Loss before cumulative effect of change in accounting principle	\$ (0.09	) \$ (0.08	) \$ (0.17	) \$ (0.16	) \$ (10.14)	
Cumulative effect of change in accounting principle						(0.01)
Basic and diluted loss per share	\$ (0.09	) \$ (0.08	) \$ (0.17	) \$ (0.16	) \$ (10.15)	
Weighted average shares outstanding used to compute basic and diluted loss per share	198,085,419	197,488,531	198,070,961	197,485,031	192,930,795		

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICO Global Communications (Holdings) Limited
(A Development Stage Enterprise)

Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands, unaudited)

	Three months ended June 30,		Six months ended June 30,		February 9, 2000 (inception) to June 30, 2007 (development stage period)
	2007	2006	2007	2006 (restated)	
Net loss	\$ (17,240)	\$ (15,576)	\$ (33,957)	\$ (30,617)	\$ (1,957,578)
Other comprehensive income (loss):					
Unrealized gain on investments, net of tax		(9)	18	27	
Cumulative translation adjustments	248	(515)	11	(1,071)	