ICO Global Communications (Holdings) LTD Form 10-Q May 07, 2010 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2010

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 001-33008

ICO GLOBAL COMMUNICATIONS (HOLDINGS) LIMITED

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of

98-0221142 (IRS Employer

incorporation or organization)

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 x No ".

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes "No".

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

Large accelerated filer " Accelerated filer

Non-accelerated filer " (Do not check if a smaller reporting company)

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

As of May 3, 2010, the registrant had 199,832,681 shares of Class A common stock and 53,660,000 shares of Class B common stock outstanding.

Certifications

ICO GLOBAL COMMUNICATIONS (HOLDINGS) LIMITED

FORM 10-Q

For the three months ended March 31, 2010

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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)

	March 31, 2010		Dec	ember 31, 2009
ASSETS				
Current assets:				
Cash and cash equivalents	\$	30,897	\$	4,983
Prepaid expenses and other current assets		848		1,039
Total current assets		31,745		6,022
Property in service net of accumulated depreciation of \$389 and \$347, respectively		341		383
Other assets		250		253
Investment in DBSD		23,650		23,650
Total	\$	55,986	\$	30,308
LIABILITIES AND STOCKHOLDERS DEFICIENCY IN ASSETS				
Current liabilities:				
Accounts payable	\$	1,369	\$	1,174
Accrued expenses		20,042		19,233
Payable to affiliates		1,392		1,292
Accrued interest		24,071		22,657
Capital lease obligations		18,575		18,385
Total current liabilities		65,449		62,741
Income tax		12,041		13,172
Total liabilities		77,490		75,913
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, 257,990,197 and 213,014,265				
shares issued, and 199,836,308 and 154,876,313 shares outstanding		2,580		2,130
Class B convertible common stock, \$.01 par value, 150,000,000 shares authorized, 84,663,382 shares		847		847
issued and 53,660,000 shares outstanding Additional paid-in capital	,	2,785,513	,	2.756.406
Treasury stock, 58,153,889 and 58,137,952 shares of Class A common stock and 31,003,382 shares of		2,705,515	4	2,730,400
Class B convertible common stock		(877,656)		(877,648)
Accumulated other comprehensive loss		(8,026)		(7,223)
Deficit accumulated during the development stage	(1,924,762)	(1	1,920,117)
Detect accommanded during the development stage	(1,721,702)	(.	.,,20,117)

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Total stockholders deficiency in assets	(21,:	504) (4	5,605)
Total	\$ 55,9	986 \$ 30	0,308

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 March 31,			(i Ma	oruary 9, 2000 nception) to arch 31, 2010	
		2010	2009			evelopment age period)	
Operating expenses:						3 1 /	
General and administrative	\$	4,546	\$	17,014	\$	717,379	
Research and development				1,544		83,792	
Contract settlements						(74,955)	
Impairment of property under construction						1,438,304	
Loss on disposal of assets						11,117	
Total operating expenses		4,546		18,558		2,175,637	
Operating loss		(4,546)		(18,558)		(2,175,637)	
Interest income				421		138,267	
Interest expense		(1,072)		(22,323)		(268,677)	
Gain on deconsolidation of DBSD						280,971	
Other expense		(752)		(5,369)		(6,750)	
Loss before income taxes		(6,370)		(45,829)		(2,031,826)	
Income tax benefit (expense)		1,725		(290)		116,796	
Net loss before cumulative effect of change in accounting principle		(4,645)		(46,119)		(1,915,030)	
Cumulative effect of change in accounting principle						(1,944)	
Net loss	\$	(4,645)	\$	(46,119)	\$	(1,916,974)	
1001000	Ψ	(1,013)	Ψ	(10,11))	Ψ	(1,510,571)	
Basic and diluted loss per share:							
Loss before cumulative effect of change in accounting principle	\$	(0.02)	\$	(0.22)	\$	(9.76)	
Cumulative effect of change in accounting principle						(0.01)	
Basic and diluted loss per share	\$	(0.02)	\$	(0.22)	\$	(9.77)	
Weighted average shares outstanding used to compute basic and diluted loss	0.1	0.014.502	24	07.420.060		106 224 025	
per share		8,914,593		07,439,060		196,324,935	
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 Loss

(In thousands, unaudited)

	Three months ended March 31,			oruary 9, 2000 nception) to arch 31, 2010 levelopment tage period)
Net loss				
	\$ (4,645)	\$ (46,119)	\$	(1,916,974)
Other comprehensive loss:				
Cumulative translation adjustments	(803)	1,590		(8,026)
Comprehensive loss	\$ (5,448)	\$ (44,529)	\$	(1,925,000)

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 Cash Flows

(In thousands, except share data, unaudited)

Operating activities: \$ (4,645) \$ (46,117) \$ (10,10,074) Net loss \$ (4,645) \$ (46,117) \$ (10,10,074) Adjustments to reconcile net loss to net cash used in operating activities: 327 1,424 46,846 Expectación 327 1,424 46,846 Non-cash interest expense 32 102 4,552 Non-cash interest expense 380 1,054 5(30,318) Son on deconsolidation of DBSD 380 1,054 (5,043) Losses on disposal of assets 1 1,111 Inpairment of property under construction 1 1,438,304 Gain on contract settlements 2 1,283,304 1,054 (5,043) Gain on contract settlements 2 1,242 1,115 1,111 1,438,304 1,462 1,155 1,115 1,111 1,115 1,115 1,111 1,111 1,111 1,111 1,111 1,111 1,115 1,115 1,115 1,115 1,115 1,115 1,115 1,115 1,115 1,115 1,115			nths ended ch 31,	February 9, 2000 (inception) to March 31, 2010
Operating activities: \$ (4,645) \$ (4,611) \$ (1,916,974) Adjustments to reconcile net loss to net cash used in operating activities: 327 1,424 40,846 Stock-based compensation 327 1,424 40,846 Depreciation 32 4,978 54,638 Non-cash interest expense 4,978 54,638 Non-cash settlement of litigation matter 2,385 636 Gain on deconsolidation of DBSD 1,054 5,043 Losse on disposal of assets 380 1,054 5,043 Losse on disposal of assets 1,115 1,111 Gain on contract settlements 5 1,155 7,79 Gain on Nextel share-pledge derivative 1,155 7,79 1,155 7,79 Deferred income tax credit 1,155 7,79 1,155 7,79 1,155 7,79 Realized losses on alses of investment securities 2,46 3,03 3,04 2,44 2,53 4,42 4,44 4,44 4,44 4,44 4,44 4,44 4,44 4,44 4,4		2010	2009	(development stage period)
Adjustments to reconcile net loss to net cash used in operating activities: Slock-based compensation 327 1,424 46,846 Depreciation 32 102 4,552 Non-cash interest expense 4,978 54,638 Non-cash interest expense 2,385 Gain on deconsolidation of DBSD 280,071 Unrealized foreign exchange (gains) losses 380 1,054 (5,043) Unrealized foreign exchange (gains) losses 11,117 Impairment of property under construction 1,438,304 Gain on contract settlements 1,438,304 Gain on Nextle share-pledge derivative (9,168) Deferred income tax credit (12,031) Realized losses on sales of investment securities 1,155 7,779 Unrealized losses on sales of investment securities 2,462 11,378 Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 Cost of issuance of shares to distribution partners 37,440 Other Changes in certain assets and liabilities: 2,593 Cost of issuance of shares to distribution partners 37,440 Other changes in certain assets and liabilities: 2,593 Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accrued interest payable 197 2,231 2,586 Accrued interest payable 1,346 1,762 88,435 Other accrued expenses 7,789 1,447 66,509 Proceeds from launch insurance 225,000 Debtor in possession advance in relation to Old ICO (275,000) Cash received from Old ICO at acquisition 10,743 Cash	Operating activities:			
Stock-based compensation 327 1,424 46,846 Depreciation 32 102 4,552 Non-cash interest expense 4,978 54,638 Non-cash settlement of litigation matter 2,385 Gain on deconsolidation of DBSD 280,971 Unrealized foreign exchange (gains) losses 380 1,054 (5,043) Losses on disposal of assets 380 1,054 (5,043) Losses on disposal of assets 380 1,054 (5,043) Gain on contract settlements 7,4955 3 1,151 1,117 Impairment of property under construction 1,358 7,79 3 1,155 7,779 3 1,155 7,779 3 1,155 7,779 3 1,155 7,779 3 4,442 3 4,442 3 4,442 3 4,442 3 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 4,442 <td>Net loss</td> <td>\$ (4,645)</td> <td>\$ (46,119)</td> <td>\$ (1,916,974)</td>	Net loss	\$ (4,645)	\$ (46,119)	\$ (1,916,974)
Depreciation 32 102 4,578 Non-cash interest expense 4,978 34,638 Son-cash settlement of litigation matter 2,385 Gain on deconsolidation of DBSD (280,971) Unrealized foreign exchange (gains) losses 380 1,054 (5,043) Losses on disposal of assets 11,117 Gain on contract settlements 74,955 (74,955) Gain on Nextle share-pledge derivative 9,168 (122,031) Deferred income tax credit (122,031) (122,031) Realized losses on siles of investment securities 1,155 7,779 Unrealized losses on investment securities 9,168 (122,031) Realized losses on investment securities 691 (4,442) Unrealized obsess on investment securities 691 (4,422) Mornization of capitalized Gateway Operator incentive 26 30,630 Other 266 30,630 Other changes in certain assets and liabilities: 175 5,302 46,202 Prepaid expenses and other current/non-current assets 175 5,302 46,202	Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash interest expense 4,978 54,638 Non-cash settlement of litigation matter 2,385 Gain on deconsolidation of DBSD (280,971) Unrealized foreign exchange (gains) losses 380 1,054 (5,043) Losse on disposal of assets 11,117 1,438,304 Gain on contract settlements (74,955) (5,043) Gain on contract settlements (74,955) (6,168) Gain on Nextel share-pledge derivative (9,168) (12,203) Deferred income tax credit (12,203) (779) Unrealized losses on sales of investment securities 1,155 7,779 Unrealized losses on investment securities 691 (4,422) Amortization of capitalized Gateway Operator incentive 691 (4,422) Amortization of capitalized Gateway Operator incentive 266 30,630 Other changes in certain assets at distribution partners 266 30,630 Other changes in certain assets and liabilities 197 2,231 2,586 Accounts payable 197 2,231 2,586 Accured interest payable 1,3	Stock-based compensation	327	1,424	46,846
Non-eash settlement of litigation matter 2,385 Gain on deconsolidation of DBSD (280,971) Unrealized foreign exchange (gains) losses 380 1,054 (5,043) Losses on disposal of assets 11,117 Impairment of property under construction 1,438,304 (74,955) Gain on contract settlements (74,955) (9,168) Cain on Nextel share-pledge derivative (122,031) (122,031) Deferred income tax credit 1,155 7,779 Realized losses on sales of investment securities 2,462 11,378 Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 2,593 Cost of issuance of shares to distribution partners 266 30,630 Other changes in certain assets and liabilities: 7,240 2,593 Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 17,262 88,435 Accounts payable 17,262 88,435 Other acrued expenses (77 1,47,620 88,	Depreciation	32	102	4,552
Gain on deconsolidation of DBSD (280,971) Unrealized foreign exchange (gains) loses 380 1,054 (5,043) Losses on disposal of assets 1,11,17 Impairment of property under construction 1,438,304 Gain on Nextel share-pledge derivative (9,168) Deferred income tax credit (122,031) Realized losses on sales of investment securities 1,155 7,779 Unrealized losses on investment securities 2,462 11,378 Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 37,440 Other Obter of issuance of shares to distribution partners 266 30,630 Other changes in certain assets and liabilities: 25,93 46,202 Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,47 66,509 Net cash used in operating activities 225,000			4,978	54,638
Unrealized foreign exchange (gains) losses 380 1,054 (5,043) Losse on disposal of assets 11,171 Impairment of property under construction 1,38,304 Gain on contract settlements 704,955 Gain on Nextel share-pledge derivative 9,168 Deferred income tax credit 1,155 7,779 Unrealized losses on sales of investment securities 1,155 7,779 Unrealized losses on investment securities 691 (4,442) Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 266 30,630 Other 266 30,630 Other changes in certain assets and liabilities: 374,440 Other changes in certain assets and liabilities: 197 2,231 2,586 Accounts payable 197 2,231 2,586 Accrued interest payable accrued expenses (778) 1,447 66,509 Net cash used in operating activities 225,000 Poeter in possession advance in relation to Old ICO 225,000 Debtor in possession advance in relatio	Non-cash settlement of litigation matter			2,385
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Impairment of property under construction 1,438,304 Gain on contract settlements (74,955) Gain on Nextel share-pledge derivative (9,168) Deferred income tax credit (122,031) Realized losses on sales of investment securities 1,155 7,779 Unrealized losses on investment securities 2,462 11,378 Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 37,440 Other 266 30,630 Other changes in certain assets and liabilities: Trepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities 225,000 Debtor in possession advance in relation to Old ICO 275,000 Acquisition of net assets of Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Acquisition of	Unrealized foreign exchange (gains) losses	380	1,054	(5,043)
Gain on contract settlements (74,955) Gain on Nextel share-pledge derivative (9,168) Deferred income tax credit (122,031) Realized losses on sales of investment securities 1,155 7,779 Unrealized losses on investment securities 2,462 11,378 Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 2,593 Cost of issuance of shares to distribution partners 266 30,630 Other 266 30,630 Other changes in certain assets and liabilities: Terpaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,47 66,509 Net cash used in operating activities 225,000 Debtor in possession advance in relation to Old ICO 275,000 Acquisition of net assets of Old ICO (117,590 Cash received from Old ICO at acquisition (5,074	Losses on disposal of assets			11,117
Gain on Nextel share-pledge derivative (9,168) Deferred income tax credit (122,031) Realized losses on sales of investment securities 1,155 7,779 Unrealized losses on investment securities 2,462 11,378 Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 37,440 Other 266 30,630 Other changes in certain assets and liabilities: 8 3,630 Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities 225,000 Proceeds from launch insurance 225,000 Debtor in possession advance in relation to Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Cash received from Old ICO at acquisition 107,436 Restricted cash (270,007)	Impairment of property under construction			1,438,304
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Class	Gain on Nextel share-pledge derivative			(9,168)
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Fair value adjustment for ARS Put Option 691 (4,442) Amortization of capitalized Gateway Operator incentive 2,593 Cost of issuance of shares to distribution partners 37,440 Other 266 30,630 Other changes in certain assets and liabilities: *** Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities 2,700 (8,011) (562,190) Investing activities: *** 225,000 Debtor in possession advance in relation to Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Cash received from Old ICO at acquisition 107,436 Restricted cash (5,074) Purchases of satellite system under construction (3,974) (414,618) Purchases of property under construction (497,890)	Realized losses on sales of investment securities		1,155	
Amortization of capitalized Gateway Operator incentive 2,593 Cost of issuance of shares to distribution partners 37,440 Other 266 30,630 Other changes in certain assets and liabilities: *** Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities: ** 225,000 Investing activities: ** 225,000 Debtor in possession advance in relation to Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Acquisition of net assets of Old ICO at acquisition 107,436 Restricted cash (5,074) Purchases of satellite system under construction (3,974) (414,618) Purchases of property under construction (497,890)	Unrealized losses on investment securities		2,462	11,378
Amortization of capitalized Gateway Operator incentive 2,593 Cost of issuance of shares to distribution partners 37,440 Other 266 30,630 Other changes in certain assets and liabilities: *** Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities: ** 225,000 Investing activities: ** 225,000 Debtor in possession advance in relation to Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Acquisition of net assets of Old ICO at acquisition 107,436 Restricted cash (5,074) Purchases of satellite system under construction (3,974) (414,618) Purchases of property under construction (497,890)	Fair value adjustment for ARS Put Option			
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Other changes in certain assets and liabilities: Prepaid expenses and other current/non-current assets 175 5,302 46,202 Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities (2,700) (8,011) (562,190) Investing activities: 225,000 Proceeds from launch insurance 225,000 (275,000) Acquisition of net assets of Old ICO (117,590) (275,000) Acquisition of net assets of Old ICO at acquisition 107,436 (5,074) Restricted cash (5,074) Purchases of satellite system under construction (3,974) (414,618) Purchases of property under construction (497,890)	i	266		30,630
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Accounts payable 197 2,231 2,586 Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities (2,700) (8,011) (562,190) Investing activities: 225,000 Proceeds from launch insurance 225,000 Debtor in possession advance in relation to Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Cash received from Old ICO at acquisition 107,436 Restricted cash (5,074) Purchases of satellite system under construction (3,974) (414,618) Purchases of property under construction (497,890)	•	175	5,302	46,202
Accrued interest payable 1,346 17,262 88,435 Other accrued expenses (778) 1,447 66,509 Net cash used in operating activities (2,700) (8,011) (562,190) Investing activities: 225,000 Proceeds from launch insurance 225,000 Debtor in possession advance in relation to Old ICO (275,000) Acquisition of net assets of Old ICO (117,590) Cash received from Old ICO at acquisition 107,436 Restricted cash (5,074) Purchases of satellite system under construction (3,974) (414,618) Purchases of property under construction (497,890)		197	2.231	2,586
Other accrued expenses(778)1,44766,509Net cash used in operating activities(2,700)(8,011)(562,190)Investing activities:225,000Proceeds from launch insurance225,000Debtor in possession advance in relation to Old ICO(275,000)Acquisition of net assets of Old ICO(117,590)Cash received from Old ICO at acquisition107,436Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)		1.346		,
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Proceeds from launch insurance225,000Debtor in possession advance in relation to Old ICO(275,000)Acquisition of net assets of Old ICO(117,590)Cash received from Old ICO at acquisition107,436Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)	Net cash used in operating activities	(2,700)	(8,011)	(562,190)
Debtor in possession advance in relation to Old ICO(275,000)Acquisition of net assets of Old ICO(117,590)Cash received from Old ICO at acquisition107,436Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)	Investing activities:			
Acquisition of net assets of Old ICO(117,590)Cash received from Old ICO at acquisition107,436Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)	Proceeds from launch insurance			225,000
Cash received from Old ICO at acquisition107,436Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)	Debtor in possession advance in relation to Old ICO			(275,000)
Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)	Acquisition of net assets of Old ICO			(117,590)
Restricted cash(5,074)Purchases of satellite system under construction(3,974)(414,618)Purchases of property under construction(497,890)	Cash received from Old ICO at acquisition			107,436
Purchases of property under construction (497,890)				(5,074)
Purchases of property under construction (497,890)	Purchases of satellite system under construction		(3,974)	(414,618)
				(497,890)
(13) (3,370)	Purchases of property in service		(13)	(3,548)
Investments in unconsolidated subsidiaries (6,221)	Investments in unconsolidated subsidiaries			
Payments to affiliates (202) (491)		(202)		
Purchases of other assets (14,000)	·			
Purchases of investment securities (4,404,343)				
Maturities and sales of investment securities 5,995 4,332,756	Maturities and sales of investment securities		5,995	

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Purchases of restricted investments				(94,283)
Maturities and sales of restricted investments				94,305
Proceeds from contract amendments				44,434
Proceeds from sale of assets				12,106
Net cash provided by (used in) investing activities	(202)	2,008		(1,017,021)
Financing activities:				
Net proceeds from issuance of common stock				625,492
Net proceeds from issuance of convertible notes				620,442
Net proceeds from working capital facility				37,539
Proceeds from sales of subsidiary stock and stock options				9,920
Proceeds from Rights Offering, net of issuance costs	29,105			29,105
Payment of withholding taxes from stock awards	(31)	(91)		(968)
Advances from affiliates				324,395
Repayment of advances from affiliates				(324,395)
Repayment of note payable to Eagle River				(37,500)
Repayment of operator financing				(5,727)
Proceeds from pledge of Nextel shares				351,600
Proceeds from loan from Teledesic LLC				20,000
Acquisition of ICO shares from minority interest stockholder				(30,868)
Net cash provided by (used in) financing activities	29,074	(91)		1,619,035
	,	,		, ,
Effect of foreign exchange rate changes on cash	(258)	(50)		(8,927)
21000 of 1010igh onomingo fine of onom	(200)	(20)		(0,,,,,)
Net increase (decrease) in cash and cash equivalents	25,914	(6,144)		30,897
Cash and cash equivalents beginning of period	4,983	29,261		30,697
Cash and Cash equivalents organisms of period	+,505	29,201		
Cook and each agriculants, and of maried	¢ 20 907	¢ 22 117	¢	20.807
Cash and cash equivalents end of period	\$ 30,897	\$ 23,117	\$	30,897

(continued)

ICO Global Communications (Holdings) Limited

(A Development Stage Enterprise)

Condensed Consolidated Statements of Cash Flows (Continued)

(In thousands, except share data, unaudited)

	Three months ended March 31,		(ince Marc	ary 9, 2000 eption) to h 31, 2010 elopment
	2010	2009	stag	e period)
Supplemental disclosures:				
Income taxes paid	\$	\$	\$	7,871
Interest paid		339		150,948
Capitalized interest		704		98,504
Supplemental disclosures of non-cash activities:				
Issuance of Class A common shares in respect of investment in Ellipso, Inc.				6,863
Issuance of Class B common shares in respect of investment in Ellipso, Inc.				74
Issuance of Class A common shares in respect of investment in Constellation Communications				
Holdings, Inc.				904
Issuance of Class A common shares for settlement of litigation matter				2,385
Issuance of Class A common shares for advisory services	125	125		2,153
Issuance of Class A common shares for stock-based compensation	26	107		3,853
Payment in form of ARS as compensation for advisory services				500
Decrease in accrued satellite system construction payable, net of liquidated damages		(956)		
Equipment acquired in capital lease agreements				42,096
Issuance of warrants for the repayment of debt				4,950
Interest payment on convertible debt in the form of additional notes		29,964		86,276
Investment in DBSD upon deconsolidation				23,650
Increase in payable to affiliates	252			1,834
The following securities of ICO arose from the acquisition of Old ICO s net assets:				
93,700,041 Class A common shares and options to acquire Class A common shares issued				679,873
31,003,382 Class B common shares issued				275,000
1,600,000 Class A common shares issued to distribution partners				16,720
200,000 Class A common shares committed to distribution partners				2,090
50,000,000 warrants issued to acquire Class A common shares				180,000
			(ce	oncluded)

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 Changes in Stockholders Deficiency in Assets

(In thousands, except share data, unaudited)

	Cor Class A shares	mmon stock Class B shares	Amount	Additional paid-in capital	Treasury stock	com	cumulated other prehensive ncome (loss)	Deficit accumulated during the development stage	Total ckholders eficiency in assets
Balance, December 31, 2008	154,006,103	53,660,000	\$ 2,967	\$ 2,790,967	\$ (877,545)	\$	6,695	\$ (2,115,595)	\$ (192,511)
Issuance of Class A common stock for advisory services	500,000		5	120					125
Class A shares withheld at vesting to cover income tax	(00,000)				(71)				(71)
withholding obligations Stock-based compensation	(89,803)				(71)				(71)
and issuance of restricted									
stock, net of forfeitures	(8,751)			1,423			4 700		1,423
Other comprehensive income							1,590	(16.110)	1,590
Net loss								(46,119)	(46,119)
Balance, March 31, 2009	154,407,549	53,660,000	\$ 2,972	\$ 2,792,510	\$ (877,616)	\$	8,285	\$ (2,161,714)	\$ (235,563)
Balance, December 31, 2009	154,876,313	53,660,000	\$ 2,977	\$ 2,756,406	\$ (877,648)	\$	(7,223)	\$ (1,920,117)	\$ (45,605)
Issuance of Class A common									
stock for advisory services	105,932		1	124					125
Issuance of Class A common stock for Rights Offering, net									
of issuance costs	42,870,000		429	28,676					29,105
Class A shares withheld at vesting to cover income tax									
withholding obligations	(5,937)				(8)				(8)
Stock-based compensation and issuance of restricted									
stock, net of forfeitures	1,990,000		20	307					327
Other comprehensive loss							(803)		(803)
Net loss								(4,645)	(4,645)
Balance, March 31, 2010	199,836,308	53,660,000	\$ 3,427	\$ 2,785,513	\$ (877,656)	\$	(8,026)	\$ (1,924,762)	\$ (21,504)

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

 $ICO\ Global\ Communications\ (Holdings)\ Limited$