

ICO Global Communications (Holdings) LTD
Form 10-Q
August 05, 2010
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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, 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)

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Delaware **98-0221142**
(State or other jurisdiction of **(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 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 .

As of August 2, 2010, the registrant had 199,898,342 shares of Class A common stock and 53,660,000 shares of Class B common stock outstanding.

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ICO GLOBAL COMMUNICATIONS (HOLDINGS) LIMITED

FORM 10-Q

For the three and six months ended June 30, 2010

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Table of Contents**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, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,509	\$ 4,983
Prepaid expenses and other current assets	1,457	1,039
Total current assets	26,966	6,022
Property in service net of accumulated depreciation of \$431 and \$347, respectively	299	383
Other assets	199	253
Investment in DBSD	23,650	23,650
Total	\$ 51,114	\$ 30,308
LIABILITIES AND STOCKHOLDERS DEFICIENCY IN ASSETS		
Current liabilities:		
Accounts payable	\$ 208	\$ 1,174
Accrued expenses	19,679	19,233
Payable to affiliates	1,171	1,292
Accrued interest	24,254	22,657
Capital lease obligations	18,120	18,385
Total current liabilities	63,432	62,741
Income tax	11,631	13,172
Total liabilities	75,063	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, 258,078,225 and 213,014,265 shares issued, and 199,899,188 and 154,876,313 shares outstanding	2,581	2,130
Class B convertible common stock, \$.01 par value, 150,000,000 shares authorized, 84,663,382 shares issued and 53,660,000 shares outstanding	847	847
Additional paid-in capital	2,786,539	2,756,406
Treasury stock, 58,179,037 and 58,137,952 shares of Class A common stock and 31,003,382 shares of Class B convertible common stock	(877,675)	(877,648)
Accumulated other comprehensive loss	(7,676)	(7,223)
Deficit accumulated during the development stage	(1,928,565)	(1,920,117)

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Total stockholders	deficiency in assets	(23,949)	(45,605)
Total		\$ 51,114	\$ 30,308

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

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	Three months ended June 30,		Six months ended June 30,		February 9, 2000 (inception) to June 30, 2010 (development stage period)
	2010	2009	2010	2009	
Operating expenses:					
General and administrative	\$ 4,040	\$ 12,657	\$ 8,586	\$ 29,671	\$ 721,419
Research and development		95		1,639	83,792
Contract settlements					(74,955)
Impairment of property under construction					1,438,304
Loss on disposal of assets					11,117
Total operating expenses	4,040	12,752	8,586	31,310	2,179,677
Operating loss	(4,040)	(12,752)	(8,586)	(31,310)	(2,179,677)
Interest income	5	121	5	542	138,272
Interest expense	(1,072)	(12,464)	(2,144)	(34,787)	(269,749)
Gain on deconsolidation of DBSD		281,445		281,445	280,971
Other income (expense)	1,263	(1,024)	511	(6,393)	(5,487)
Income (loss) before income taxes	(3,844)	255,326	(10,214)	209,497	(2,035,670)
Income tax benefit (expense)	41	(231)	1,766	(521)	116,837
Net income (loss) before cumulative effect of change in accounting principle	(3,803)	255,095	(8,448)	208,976	(1,918,833)
Cumulative effect of change in accounting principle					(1,944)
Net income (loss)	\$ (3,803)	\$ 255,095	\$ (8,448)	\$ 208,976	\$ (1,920,777)
Basic and diluted income (loss) per share:					
Income (loss) before cumulative effect of change in accounting principle	\$ (0.02)	\$ 1.23	\$ (0.04)	\$ 1.01	\$ (9.71)
Cumulative effect of change in accounting principle					(0.01)
Basic and diluted income (loss) per share	\$ (0.02)	\$ 1.23	\$ (0.04)	\$ 1.01	\$ (9.72)
Weighted average shares outstanding used to compute basic and diluted income (loss) per share	251,419,482	207,874,061	235,256,830	207,657,762	197,646,392

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

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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, 2010 (development stage period)
	2010	2009	2010	2009	
Net income (loss)	\$ (3,803)	\$ 255,095	\$ (8,448)	\$ 208,976	\$ (1,920,777)
Other comprehensive income (loss):					
Cumulative translation adjustments	350	(14,522)	(453)	(12,932)	(7,676)
Comprehensive income (loss)	\$ (3,453)	\$ 240,573	\$ (8,901)	\$ 196,044	\$ (1,928,453)

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

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ICO Global Communications (Holdings) Limited

(A Development Stage Enterprise)

Condensed Consolidated Statements of Cash Flows

(In thousands, except share data, unaudited)

	Six months ended June 30,		February 9, 2000 (inception) to June 30, 2010 (development stage period)
	2010	2009	
Operating activities:			
Net income (loss)	\$ (8,448)	\$ 208,976	\$ (1,920,777)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Stock-based compensation	1,095	3,685	47,614
Depreciation	63	181	4,583
Non-cash interest expense		7,374	54,638
Non-cash settlement of litigation matter			2,385
Gain on deconsolidation of DBSD			