

CAUTIONARY NOTE:

Please note that the June 30, 2005 financial information in this Confidential Information Memorandum was based upon preliminary financial information. The June 30, 2005 financial information is in the process of being revised and updated financial information will be posted on this website when available (currently anticipated to occur in mid-November 2005).



Confidential Information Memorandum

July 2005



Joint Placement Agents



Disclaimer

This Information Memorandum (the "Memorandum") has been prepared solely for informational purposes. This Memorandum is being furnished to assist prospective investors in purchasing securities of ICO North America ("ICO" or the "Company"), which is a wholly-owned subsidiary of ICO Global Communications (Holdings) Ltd. (the "Parent").

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the transactions contemplated hereby or determined if this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

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This Memorandum shall not constitute an offer, nor a solicitation of an offer, nor shall any securities of the Company be offered or sold, in any jurisdiction in which such an offer, solicitation or sale would be unlawful.

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Because of the confidential nature of this transaction, all communication or inquiries relating to the Company should be directed to Jefferies or UBS. You should not directly contact the Company or any of its directors, officers, employees, shareholders, customers, vendors, related parties, or affiliates at any time, or state regulators who license or oversee the Company or its operations.

By accepting this Memorandum, the recipient agrees that neither he nor his agents will contact the Company or any person known to be an employee or member of the Company's management, or a customer or supplier, with respect to the information contained herein.

Forward Looking Statements

This Memorandum contains forward-looking statements within the meaning of the federal securities laws. Statements that are not historical facts, including statements about ICO's beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words "may," "could," "would," "should," "believe," "expect," "anticipate," "plan," "estimate," "target," "project," "intend," or similar expressions.

Forward-looking statements are only predictions and are not guarantees of performance. These statements are based on management's beliefs and assumptions, which in turn are based on currently available information. These assumptions could prove inaccurate, which could cause actual results that differ materially from those contained in any forward-looking statement. Forward-looking statements also involve risks and uncertainties. Many of these factors are beyond ICO's ability to control or predict and such incurrence could be material. Such factors include, but are not limited to, the following:

- ICO's 2 GHz MSS authorization is subject to significant implementation milestones
- ICO is subject to significant U.S. and international governmental regulation
- ICO's expectation of increased spectrum assignment may not materialize
- ICO has not yet applied for ATC authorization
- ICO's use of the 2 GHz band is subject to successful relocation of incumbent users
- ICO intends to seek authorization to change its satellite orbital slot
- Success of ICO's business plan depends on its ability to form strategic partnerships to develop its system under the constraints of various regulatory requirements
- ICO is a development stage company with no operating revenues
- Risks associated with ICO's business plan
- There are significant risks associated with launching and operating the satellite contemplated under ICO's business plan
- Technological risks
- ICO has no operating cash flow and will need additional liquidity to fund its operations and fully fund all necessary capital expenditures
- ICO is expected to incur significant losses in the near term
- Spectrum values historically have been volatile
- ATC spectrum access is limited by technological factors
- Any changes in control of ICO are subject to prior FCC approval
- ICO may face significant competition from companies that are larger or have greater resources
- ICO may not be able to develop, acquire and maintain proprietary information and intellectual property rights necessary to maintain its operations and future growth
- ICO faces burdens relating to the recent trend toward stricter corporate governance and financial reporting standards
- ICO is dependent on key personnel
- Deferred tax liability
- Lack of revenue generating operations
- Potential tax liability
- Legal proceedings and expenses
- The Company does not generate sufficient cash to repay the Notes or to fund its interest obligations
- The Company's substantial indebtedness could adversely affect its ability to execute its business plan and to obtain additional financing
- The Company may not have the ability to finance the change of control repurchase offer required by the indenture governing the Notes
- There is no public market for the Notes or for the ICO common stock issuable upon conversion, and there cannot be any assurance that a market for the Notes or for the ICO common stock will develop
- Resale of the Notes and the common stock issuable upon conversion of the Notes is restricted
- Interests of holders of the Notes may conflict with the interests of the Parent's controlling stockholder
- The ability to foreclose on the collateral may be limited by applicable bankruptcy laws and on the rules and regulations of the FCC

ICO believes the forward-looking statements in this Memorandum are reasonable; however, you should not place undue reliance on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date of this Memorandum, and the Company undertakes no obligation to update publicly any of them in light of new information or future events.

All communications or inquiries relating to this Memorandum or to a possible transaction involving the Company must be directed to Jefferies or UBS. Each recipient of this Memorandum agrees not to directly contact any personnel of the Company under any circumstances.

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I. Executive Summary

Overview

ICO North America, Inc. ("ICO" or the "Company") is a next-generation mobile satellite service ("MSS") operator with a unique and valuable opportunity to offer ubiquitous satellite and terrestrial wireless services throughout the United States. The Federal Communications Commission ("FCC") has recently authorized MSS operators to use MSS spectrum terrestrially to provide integrated mobile satellite-terrestrial service offerings. ICO is building an advanced hybrid satellite-terrestrial system designed to provide voice, data and Internet services with handsets similar to existing cellular phones. This system is expected to enable ICO to offer integrated satellite and terrestrial mobile services and is expected to be operational in July 2007. ICO's business model includes the ability to offer its services to strategic service providers who can incorporate ICO's capabilities to offer integrated satellite and terrestrial services to their customers. ICO is actively engaged in pursuing numerous strategic partner alliances.

The Company's system will be supported by nationwide spectrum granted to it by the FCC. ICO has already been granted 8 MHz of spectrum and could potentially be granted up to 20 MHz.

ICO is a wholly-owned subsidiary of ICO Global Communications (Holdings) Limited (the "Parent") (OTC: ICOHA), which is authorized to operate a global Medium Earth Orbit ("MEO") satellite system. Wireless industry pioneer Craig McCaw, together with other key shareholders, have invested over \$1.2 billion in the Parent since May 2000. This investment continues Craig McCaw's vision of extending wireless communications with satellite capabilities.

Market Opportunity

The wireless sector has been among the strongest growth sectors in the communications industry. With continued subscriber growth and the rapid roll-out of bandwidth-intensive applications, such growth is expected to continue in the U.S. Forecasts for the next five years anticipate:

- 75% increase in total wireless voice minutes of use ("MOUs");
- 50 million new wireless subscribers; and
- A four-fold increase in data revenues driven by bandwidth-intensive wireless applications such as pictures, video, MP3s, email and games.

As a result of this dramatic growth of wireless traffic, to maintain even the current capacity levels, wireless service providers will likely need to vastly increase their network capacity.

ATC Authorization

Despite MSS operators' broad geographic coverage and emergency service capabilities, they have struggled to gain mass-market penetration and profitability. This is due to the limited urban service coverage and large handset size of legacy systems. In order to create a more efficient use for satellite spectrum, encourage the broad deployment of advanced satellite services and improve industry economics, in February 2003, the FCC adopted an order giving MSS operators authority to integrate an ancillary terrestrial component ("ATC") into their networks, and thus use their assigned MSS spectrum for terrestrial and satellite use. On February 25, 2005, the FCC reaffirmed its earlier decision in support of MSS operators. In addition, in June 2005, the last wireless carriers withdrew legal challenges to the FCC's ATC decisions. These events essentially eliminated any regulatory uncertainty with ATC policy and ensured that consumers would benefit from a combined satellite and terrestrial service offering.

The ICO MSS/ATC System

ICO intends to capitalize on the rapid growth of the wireless sector and the recent FCC reaffirmation of ATC by building a hybrid satellite-terrestrial system (the "ICO MSS/ATC System") to offer ubiquitous satellite and terrestrial wireless service throughout the U.S. The ICO MSS/ATC System is being designed to support a full set of mass-market service offerings including voice, video, Internet, public safety and telematics. The system is expected to support any existing and future wireless protocols including GSM, CDMA, OFDM and TCP/IP. In addition, the system is being designed to utilize handsets that are similar in size and function to existing cellular phones.

ICO's integrated satellite-terrestrial service is expected to facilitate the delivery of sophisticated voice and data services to urban and rural customers, and to address growing national security and public safety service needs by providing a redundant service offering to existing terrestrial networks.

The Company's geostationary satellite application for U.S. coverage was approved in May 2005. In anticipation of this approval, on January 10, 2005, the Company entered into a contract with Space Systems/Loral, Inc. ("SS/L") for construction of the GEO satellite and is currently in discussions with vendors regarding the build-out of the other components of the system. SS/L completed the satellite critical design review in May 2005 and is currently on schedule to meet future FCC milestones. In addition, SS/L has begun the physical construction of the GEO satellite with the entire system expected to be operational by the FCC's July 17, 2007 deadline. The Company may form strategic partnerships with terrestrial carriers who will leverage their existing customer bases and assets to roll-out mass-market wireless services.

ICO's system is being designed to utilize at least the 8 MHz of nationwide spectrum already granted to it by the FCC in the 2 GHz band, representing 2.4 billion MHz POPs. In addition, on June 29, 2005, the FCC issued a public notice of its intent to grant an additional 5.33 MHz of 2 GHz spectrum to ICO, which the Company believes it is likely to receive in the next several months. The FCC also issued a separate notice to distribute an additional 6.67 MHz of 2 GHz

spectrum to ICO. As a result, the Company's aggregate spectrum holding is expected to be 13.33 MHz and could be 20 MHz.

Competitive Advantages

The Company believes that its system should be able to leverage the following competitive advantages to capitalize on the growing demand for wireless services:

- ICO MSS/ATC System designed to support full portfolio of mass-market wireless services
- Nationwide integrated satellite-terrestrial service enabling ubiquitous coverage
- Handsets similar to current cellular phones
- Proximity to PCS spectrum and flexible architecture facilitates integration with terrestrial partner
- Management and equity sponsors have significant satellite and cellular/PCS experience

Equity Sponsors

The Parent's significant equity sponsors include wireless pioneer Craig McCaw (through Eagle River Investments) and Clayton, Dubilier & Rice. In 2000, Eagle River led a \$1.2 billion investment to acquire the Parent and develop a global MEO system. This investment continues Craig McCaw's vision of extending wireless communications with satellite capabilities. Craig McCaw is an active investor in wireless communications with current investments in Nextel Communications and Clearwire Corporation (a leading U.S. based provider of wireless broadband services). Clayton, Dubilier & Rice has made investments totaling over \$5 billion to date and is one of the oldest and most respected private equity investment firms in the world.

Transaction Summary

ICO is seeking to raise \$400 million in Convertible Senior Secured Notes to fund a portion of the costs to develop the ICO MSS/ATC System. These costs include the construction and launch of a GEO satellite and a related ground system. The Company expects the notes to be secured on a first-priority basis by substantially all of the Company's assets with the exception of a carve-out for a working capital facility. The notes will be convertible at the holder's option into shares of common stock of the Company and under certain circumstances will be convertible at the holder's option into shares of common stock of the Parent.

Sources and Uses of Funds

The Company expects that the total funding needed to complete the MSS portion of the ICO MSS/ATC System will be approximately \$600 million, excluding interest expense. The system is expected to be completed in July 2007. In addition, construction of a ground spare satellite will be initiated upon execution of a strategic partnership for the terrestrial component. This spare satellite is estimated to cost \$175 to \$225 million and is required to be available one year after the launch of ATC services. The \$400 million (less fees and escrowed interest) of capital raised through this offering is expected to fund the Company's cash requirements through the third quarter of 2006.

To date, the Parent's contributions to the Company have been in the form of equity. As of July 1, 2005 any further contributions from the Parent will be in the form of inter-company loans which will be repaid in full with the proceeds from this offering.

Sources		Uses	
New Convertible Senior Secured Notes ..	\$ 400.0	Investment into MSS/ATC System	\$ 325.0
		Escrowed Interest	57.5
		Fees and Expenses	17.5
Total Sources	<u>\$ 400.0</u>	Total Uses	<u>\$ 400.0</u>

Pro Forma Capitalization

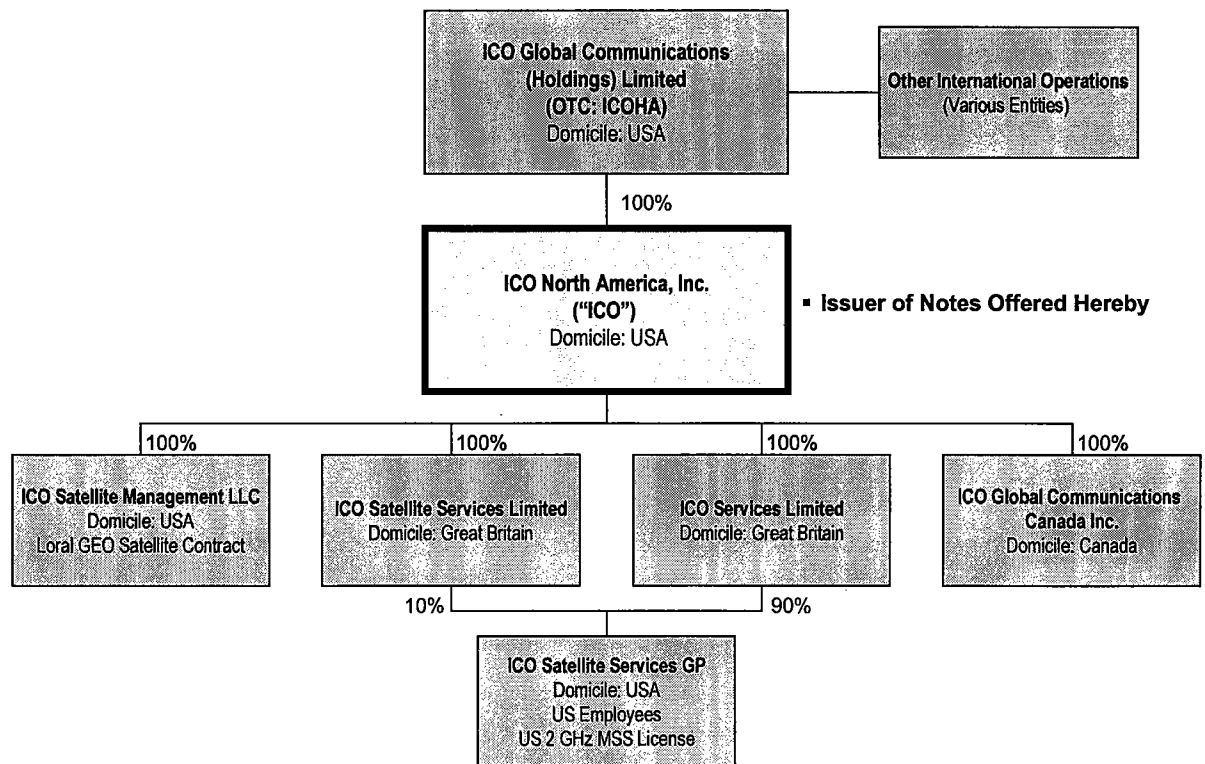
The following table sets forth the pro forma capitalization as of June 30, 2005. Escrowed interest will be kept solely for the use of paying the first four semi-annual coupon payments related to this offering.

	As of June 30, 2005	
	As Adjusted ⁽¹⁾	Pro Forma
	(Unaudited)	
Cash and Cash Equivalents.....	\$ 1.1	\$ 326.1
Escrowed Interest.....	-	57.5
Long-term Debt:		
Convertible Senior Secured Notes.....	-	400.0
Total Debt.....	-	400.0
Shareholders' Equity.....	11.3	11.3
Total Capitalization.....	<u>\$ 11.3</u>	<u>\$ 411.3</u>

(1) As adjusted for inter-company transactions.

Corporate Structure

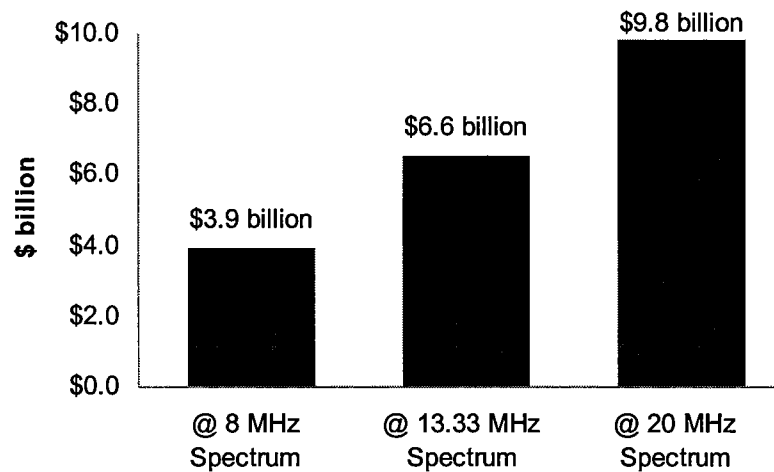
The following chart illustrates the Company's corporate structure as of June 30, 2005.



II. Investment Highlights

Potential for Up To 20 MHz of Nationwide Spectrum Offering Ubiquitous Coverage. ICO has the potential to receive up to 20 MHz of nationwide 2 GHz spectrum. The FCC has already assigned ICO 8 MHz in the 2 GHz spectrum band. This authorization allows the Company to serve the entire U.S., Puerto Rico and U.S. Virgin Islands, which collectively represent approximately 300 million POPs. As a result of recent FCC actions, the Company believes it is likely to have 13.33 MHz (4.0 billion MHz POPs) in the next several months and could ultimately be granted 20 MHz (6.0 billion MHz POPs).

Access to Spectrum Could Enhance Value of ICO. ICO should be an attractive partner to communications and media providers. Recent large U.S. spectrum transactions in the 1.9 GHz band have established a median valuation of \$1.64 per MHz POP. Using this valuation benchmark, the value of ICO could be enhanced by \$4 billion to \$10 billion depending on the amount of 2 GHz spectrum ultimately assigned to ICO.



ICO Spectrum Value, using \$1.64 / MHz POP ⁽¹⁾

Growing Demand For Wireless Capacity Drives Value. The wireless sector has been and is expected to remain among the strongest growth sectors in the communications industry. Analyst forecasts for the next five years anticipate:

- 75% increase in total wireless voice MOUs;
- 50 million new wireless subscribers; and
- A four-fold increase in data revenues driven by bandwidth-intensive wireless applications such as pictures, video, MP3s, email and games.

(1) \$1.64 / MHz POP represents median valuation of recent large transactions. See section IV for additional information on spectrum valuation.

2 GHz Band Benefits. The Company's position in the 2 GHz spectrum band provides several benefits including:

- Position adjacent to the existing PCS band, which may facilitate integration with existing PCS networks and systems
- No other service providers interleaved within the band, substantially reducing the potential for interference
- Fixed spectrum range, without the need for periodic adjustment

Terrestrial Spectrum Usage Re-Affirmed by the FCC. On February 25, 2005, the FCC reaffirmed its decision to allow MSS operators to integrate ATC into their mobile satellite service. In June 2005, representatives of the terrestrial wireless industry also voluntarily terminated judicial challenges to the FCC's ATC decisions, effectively eliminating any regulatory uncertainty surrounding ATC policy.

First Mover Advantage. The Company is uniquely positioned to satisfy the growing demand for wireless services. ICO anticipates to be the first to offer integrated MSS/ATC services in the 2 GHz band. This first-mover advantage is expected to be critical in attracting valuable strategic partners.

Experienced Management Team. ICO's senior executives have substantial experience in the satellite and cellular/PCS communications industry each with approximately 16 years of experience on average. The senior management team has worked together at ICO for over three years. Craig Jorgens, President, has more than 13 years of wireless experience including senior level positions at Vodafone/AirTouch and Texas Pacific Group. David Bagley, Senior Vice President, Corporate Development, has more than 18 years of telecommunications experience including senior level positions at SBC, Vodafone/AirTouch, and IPWireless.

Senior Management Team			
Name	Position	Industry Experience	ICO Experience
Craig Jorgens	President	13	4
David Bagley.....	Senior Vice President, Corporate Development	18	3
Bob Day	Senior Vice President, Space Systems	25	5
Suzanne Hutchings Malloy	Senior Vice President, Regulatory Affairs	14	5
Dennis Schmitt.....	Chief Financial Officer	10	3

Strong Equity Sponsorship. The Parent's significant equity sponsors include wireless pioneer Craig McCaw (through Eagle River Investments) and Clayton, Dubilier & Rice. In 2000, Eagle River led a \$1.2 billion investment to acquire the Parent and develop a global MEO system. This investment continues Craig McCaw's vision of extending wireless communications with satellite capabilities. Craig McCaw is an active investor in wireless communications with current investments in Nextel Communications and Clearwire Corporation (a leading U.S. based provider of wireless broadband services). Clayton, Dubilier & Rice has made investments totaling over \$5 billion to date and is one of the oldest and most respected private equity investment firms in the world.

III. Offering Summary [PROVIDED SEPARATELY]

IV. Demand and Market Opportunity

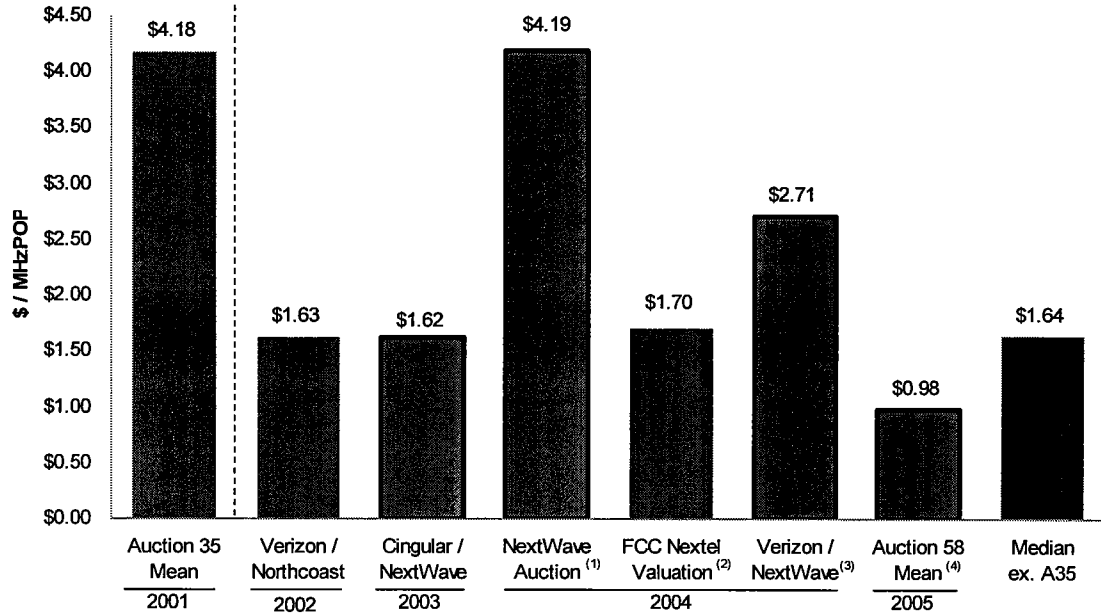
ICO represents a unique opportunity to offer both mass-market terrestrial wireless services and advanced satellite solutions. The Company's hybrid network, supported by its attractive spectrum, is expected to attract multiple strategic partners, including mobile telephony carriers, cable TV, satellite TV, and satellite radio service providers, among others. Existing and potential providers of mobile telecommunications services presently face a significant need for additional capacity, driven by rapid subscriber growth, increasing usage and accelerating adoption of mobile video, data and other high-bandwidth data applications. The wireless sector has been and is expected to remain among the strongest growth sectors in the communications industry.

Attractive Spectrum Enhances System Capabilities

The Company believes that its system, supported by up to 20 MHz of spectrum in the 2 GHz band, should be highly attractive given its proximity to PCS spectrum in the 1.9 GHz band.

PCS spectrum values have historically been volatile; however, recent large U.S. spectrum transactions have established a median valuation of approximately \$1.64 per MHz POP. Figure 4.1 below shows the price per MHz POP paid for PCS spectrum in various sales and auctions.

Figure 4.1 – Recent Spectrum Values

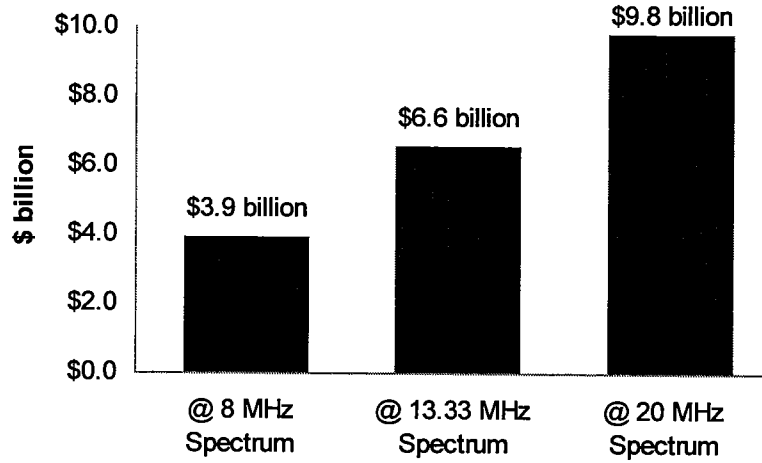


Source: FCC filings, company press releases, SEC filings and 2002 Kagan Databook

- (1) NextWave auction included NYC bought by Verizon, and two other markets in Florida bought by MetroPCS
- (2) Three other valuations were submitted to the FCC ranging from \$1.26 to \$1.82; these are included in the median value calculation
- (3) Verizon/NextWave deal included several large markets including NYC, Los Angeles, and Philadelphia
- (4) More than 70% of the licenses in Auction 58 were for markets with less than 1 million POPs

ICO could potentially attract multiple strategic partners looking to add incremental wireless capabilities and capacity. As shown in Figure 4.2, ICO's value could be enhanced by \$4 billion to \$10 billion depending on final spectrum awarded and using a valuation of \$1.64 per MHz POP (the median spectrum value established by recent large U.S. spectrum transactions in the 1.9 GHz band).

Figure 4.2 – Spectrum Enhances ICO's Value



ICO Spectrum Value, using \$1.64 / MHz POP

Demand Drivers for ICO's Capabilities

Numerous trends point to continued growth in wireless demand and valuations:

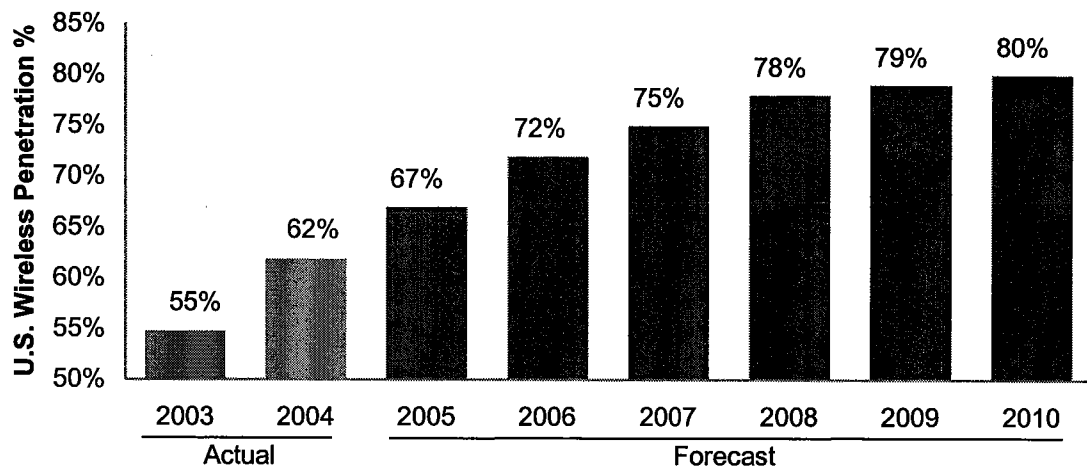
- Growth in wireless subscriber base
- Growth in wireless voice usage per subscriber
- Rapid proliferation of bandwidth-intensive wireless data applications (e.g., pictures, video, MP3 downloads, Internet, email messages, etc.)

Continued Subscriber Growth

The U.S. wireless industry has shown strong growth over the last decade, a trend that is expected to continue:

- Wireless penetration expected to reach 80% by 2010
- Increase of nearly 50 million subscribers

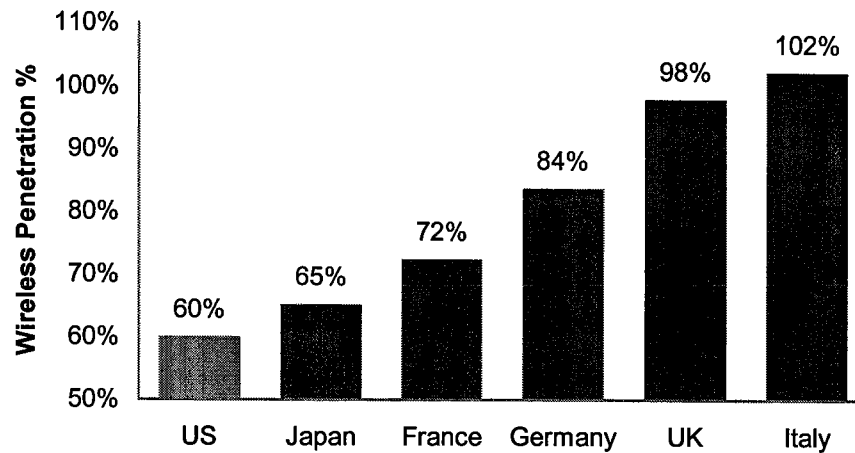
Figure 4.3 – Increasing U.S. Wireless Penetration



Source: Wall Street Research

Despite the projected rapid growth in the U.S. wireless industry, U.S. wireless penetration will continue to remain below current penetration in Western Europe, as shown in Figure 4.4.

Figure 4.4 – U.S. Relatively Under-Penetrated; Significant Growth Expected



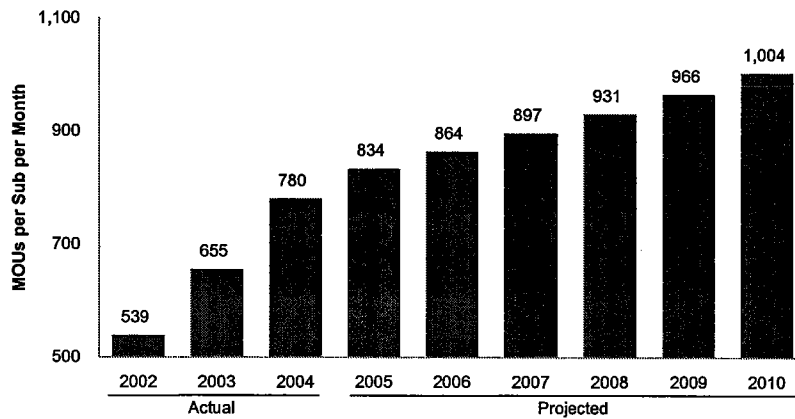
Source: Gartner, Inc., 2004

Another trend contributing to wireless growth is the increasing number of users who replace their wireline phone with a wireless handset as their primary phone (commonly referred to as wireline substitution), a process which is facilitated by the portability of phone numbers between wireline and wireless networks. According to a recent FCC report, the number of wireless subscribers has now for the first time surpassed the number of wireline connections in the U.S.

Usage Growth Per Subscriber

Demand for wireless capacity will also be fueled by increasing wireless usage per subscriber. As price competition and technology advancement have lowered cost of service, customer voice usage has demonstrated steep growth, with voice MOUs per subscriber increasing by 45% from 2002 to 2004. An additional increase of 30% is projected by 2010, as shown in Figure 4.5. Wireless phones already account for a large proportion of long-distance calls made and are increasingly being used as the primary phone.

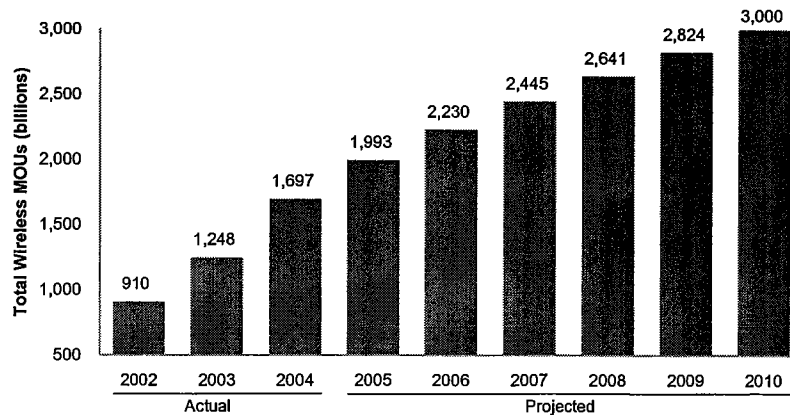
Figure 4.5 – Substantial Projected Growth in Voice Minutes of Use Per Subscriber



Source: Wall Street Research

Increasing voice MOUs per subscriber, coupled with growth in the overall subscriber base are expected to result in an approximately 50% increase in overall wireless voice usage by 2010, as shown in Figure 4.6.

Figure 4.6 – Projected Growth of Total Voice MOUs



Source: Wall Street Research

