

GLOBAL SIGNAL INC

Form S-11/A

May 02, 2005

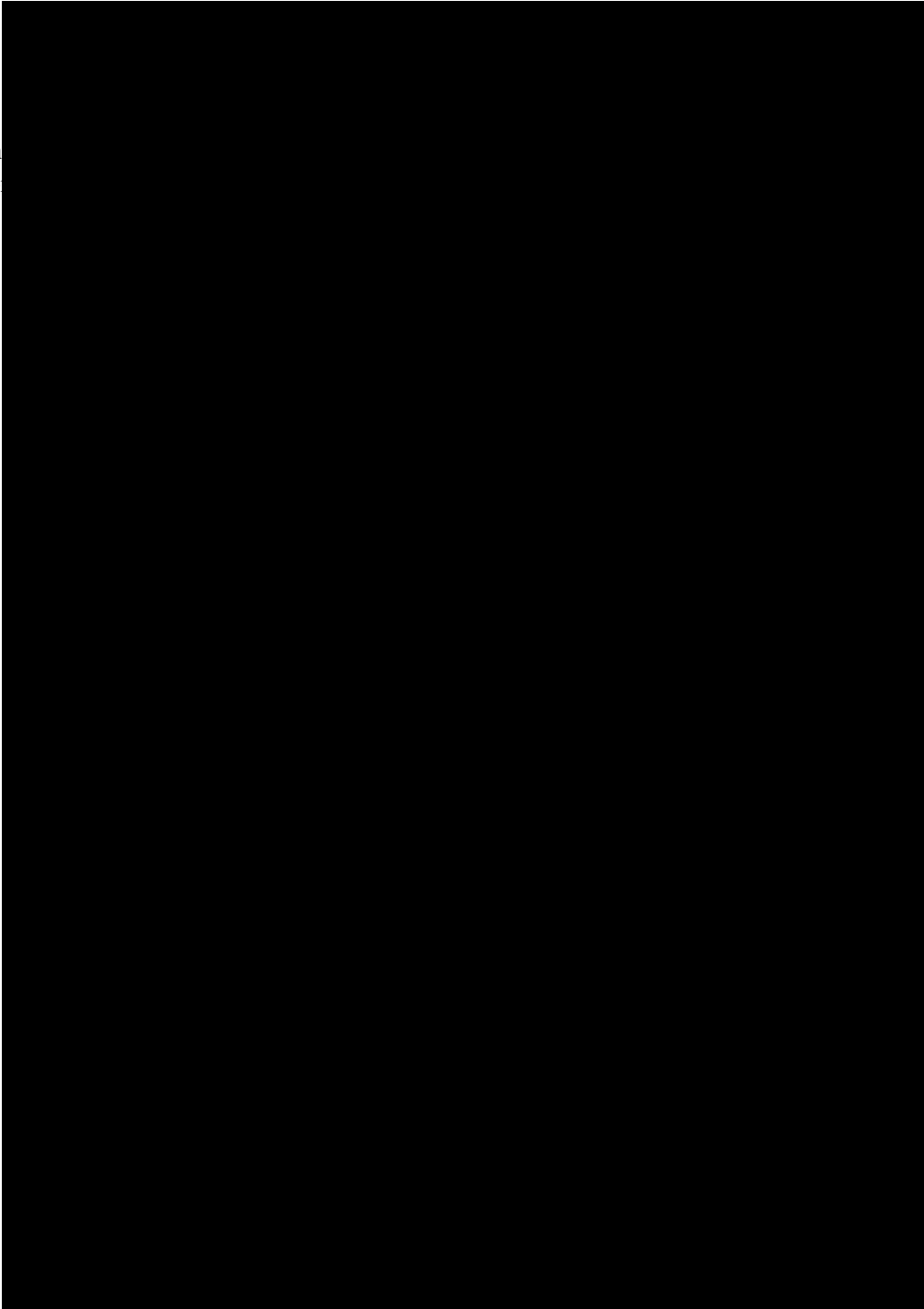
As filed with the Securities and Exchange Commission on May 2, 2005

Registration No. 333-121576

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Accrued in
10% Senior



5.5% Convertible Notes due 2007

Our gain on the discharge of debt in the amount of \$404.8 million was recognized in the period from January 1, 2002 to October 31, 2002 by the Predecessor Company as a result of the reorganization under Chapter 11 of the Bankruptcy code.

Reorganization, Restructuring and Other Special Charges

Reorganization expenses are items of expense and loss that were realized by the Predecessor Company as a result of the reorganization under Chapter 11 of the Bankruptcy Code. During 2002, the Predecessor Company recorded \$59.1 million of reorganization expenses.

Net reorganization expenses for the Predecessor Company for the ten months ended October 31, 2002, the only period in which these costs were incurred, consisted of the following (in thousands):

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Joseph A. Coco
Skadden, Arps, Slate, Meagher
&
Flom LLP
4 Times Square
New York, New York
10036-6522
(212) 735-3000

J. Gerard Cummins
Sidley Austin Brown & Wood
LLP
787 Seventh Avenue
New York, New York 10019
(212) 839-5300

John J. Sabl
Sidley Austin Brown & Wood
LLP
Bank One Plaza
10 S. Dearborn Street
Chicago, Illinois 60603
(312) 853-7000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

CALCULATION OF REGISTRATION FEE

Amounts to be Registered ⁽¹⁾	Proposed Maximum Offering Price Per Share ⁽²⁾	Amount of Registration Fee
\$ 23,050		
14,752		
9,128		
5,740		
3,385		
1,973		
Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	\$ 30.08	\$ 190,256,000
6,325,000		\$ 22,393,000

(1)Includes 575,000 shares which may be issued upon the exercise of the underwriters' overallotment option.
 (2)Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, and based upon the average of the high and low prices on the New York Stock Exchange on April 25, 2005.
 (3)\$10,430.37 was previously paid with initial filing on December 22, 2004 and \$11,106.64 was previously paid with Amendment No. 1 on April 22, 2005.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not per; font-style: normal; border-bottom: 3px double #ffffff; padding-top: 0pt " align="left" valign="bottom" nowrap="nowrap">

Settlement of damage claims 400 \$59,124

Fresh Start Accounting

On November 1, 2002, we adopted fresh start accounting pursuant to SOP 90-7. In accordance with the principles of fresh start accounting, we adjusted the value of our assets and liabilities to their reorganization value (which approximates fair value) as of the Effective Date.

The reorganization and the adoption of fresh start accounting resulted in the following adjustments to the Predecessor's consolidated balance sheet at October 31, 2002. Reorganization adjustments were recorded in the predecessor period and fresh start adjustments were recorded as of November 1, 2002, in the successor period.

Reorganized Condensed Consolidated Balance Sheet

November 1, 2002

(in thousands)

Predecessor
Company
October 31, 2002

d sale price of the common stock on April 25,

certain federal income tax requirements
and transfer of our common stock, including a

ling:

8,157
\$

...y or accuracy of this prospectus. Any

71,842)(h)	377,507	
29,943 (i)		1

15,317)(j)	14,317	
57,216)	521,767	

\$ (357,216) \$544,703

(2,199)(k) 24,309
— F-1

**ent or additional information. This prospectus
ed in this prospectus is accurate only as of the**

ou should consider before buying shares of our
es included in this prospectus, before deciding to
r to Global Signal Inc. and its consolidated
its name change effective December 18, 2003.
reenhill" refers to Greenhill Capital Partners,
e effect to a two-for-one stock split we effected

of towers owned. On June 2, 2004, we
we, Sprint Corporation, or Sprint, and certain
consummation of the Sprint transaction will

towers with existing telephony tenants in
ces combined with low-cost fixed-rate debt
real estate investment trust, or REIT, and as such

and December 31, 2004 which is a 28.0% increase
of our common stock for the three months

and other communications sites. Although we
in the eastern and mid-Atlantic regions of the United
States, 15 of these towers and we lease the land under
these towers or where we had a sublease arrangement
from the Triton and ForeSite 2005 acquisitions
we are the primary communications tower operator based on number of

376,473
115,000

798

354,917As of March 31, 2005, we had total debt of \$757.1 million, of which \$696.7 million was fixed-rate, and cash of \$7.1 million excluding restricted cash of \$78.2 million and the \$50.0 million deposit we made in connection with the Sprint transaction on

Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP. For a description of "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Measures — Adjusted EBITDA" for a detailed description of why Adjusted EBITDA is useful. A reconciliation of net income to Adjusted EBITDA is as follows:

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Adjusted EBITDA
(Unaudited)
(in thousands)

	Three Months Ended March 31, 2005 (unaudited)		2004
Net income	\$ 3,896	\$	(6,000)
Depreciation, amortization and accretion	17,558		
Total liabilities and stockholders' equity	\$ 909,098	\$	(7,000)

Adjustments reflected in the reorganized condensed consolidated balance sheet

- (a) In total, cash decreased \$14.4 million as a result of the following sources of cash consisted of (1) a \$112.6 million equity investment revolver draw. The uses of cash consisted of (1) \$93.0 million to million to satisfy cash obligations of the holders of Senior Notes million to pay finance fees associated with the nt-weight: normal border-bottom: 3px double #ffffff;padding-top: 0pt" align="right" colspan="1">

Interest, net

Income tax expense (benefit)

Loss on early extinguishment of debt

Non-cash stock based compensation expense

- (b) Prepaid expenses/other increased by \$0.4 million due to payment various fees related to the new financing and restructuring.
- (c) Other assets increased by \$6.8 million due to fees associated with facility. We recorded these fees as deferred debt costs and will amortize of the credit facility using the effective interest method.
- (d) Accrued expenses decreased by \$8.2 million. We paid \$6.3 million fees related to the restructuring as well as \$1.9 million of accrued
- (e) Current portion of long-term debt decreased \$354.2 million. We made payment on our bank debt and reclassified \$261.2 million to long
- (f) Liabilities subject to compromise of \$115.0 million were totally cash payment to the holders of the Senior Notes and Convertible of \$92.4 million of Senior Notes to common stock.
- (g) Long-term debt increased \$265.2 million. We reclassified \$261.2 million from current portion of long-term debt and recorded a \$4.0 million credit facility.
- (h) Fixed assets have been revalued to reflect the reorganization value market value determined by reliance on independent valuations and methods.
- (i) Intangible assets of \$130.0 million have been recorded consisting of \$127.3 million and lease origination value of \$2.7 million in accordance with 141.
- (j) Other assets were reduced by \$15.3 million as we eliminated \$4.0 million assets and reduced the straight-line deferred lease receivable balance
- (k) Accrued expenses decreased by \$2.2 million. We eliminated our lease

Adjusted EBITDA

AFFO is not a measure of performance calculated in accordance with GAAP. See "Managements Discussion and Analysis of Financial Condition and Results of Operations — Non GAAP Financial Measures — Adjusted Funds From Operations" for a detailed description of why we believe AFFO is useful. A reconciliation of net income to AFFO is as follows:

AFFO

(Unaudited)
(in thousands)

reduced by \$0.1 million. We reduced our deferred tax liability by \$0.5 million and recognized our \$0.5 million straight-line deferred lease liability and \$0.5 million asset retirement obligation.

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4. Discontinued Operations

During 2002 and 2003, we entered into definitive agreements to divest ourselves of certain non-core assets and under-performing tower sites. Included in this group were two wholly-owned subsidiaries, an office building, a portfolio of microwave tower sites and various non-strategic under-performing sites. During 2004, we made decisions to divest ourselves of additional under-performing tower sites. The operations related to each of these assets were sold or liquidated by December 31, 2004 except for 45 under-performing sites that were held for disposal by sale at December 31, 2004. During 2004 and 2003, we recognized impairment charges on our underperforming sites of \$0.5 million and \$0.4 million, respectively.

In accordance with SFAS No. 144, we classified the operating results of these assets as discontinued operations in the accompanying consolidated financial statements and all prior periods have been classified to conform to the current year presentation with respect to these assets. Long-lived assets classified as held for disposal as a result of disposal activities that were initiated prior to SFAS No. 144's initial application continue to be accounted for in accordance with the prior pronouncements applicable for each disposal and hence are excluded from discontinued operations.

Results of operations for these discontinued assets for the year ended December 31, 2004 and 2003, the two months ended December 31, 2002 and the ten months ended October 31, 2002 are as follows (in thousands):

	Predecessor Company Ten Months Ended October 31, 2002	Two Months Ended December 31, 2002	Successor Company Year Ended December 31, 2003	Year Ended December 31, 2004
Real estate depreciation, amortization and accretion				
Revenues		17,135	11,921	

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(Gain) loss on sale of properties ⁽¹⁾	24	(205)		
Loss on early extinguishment of debt	—	8,449		
Non-cash stock-based compensation expense	318	2,604		
Adjusted Funds From Operations	\$ 10,229	\$ 1,141	\$ 4,567	\$ 1,929
Cost of revenues (excluding impairment losses, depreciation, amortization and accretion expense)	6,797	1,083	4,204	1,779
Gross Margin	3,432	\$21,373	\$16,135	

(1)(Gain) loss on sale of properties includes \$0 and (\$0.1) million for the three months ended March 31, 2005, and 2004, respectively related to continuing operations; and \$0 and (\$0.1) million for the three months ended March 31, 2005, and 2004, respectively related to discontinued operations.

Acquisitions

Since the beginning of our acquisition program on December 1, 2003, through April 25, 2005, we have acquired 1,025 communications sites for an aggregate purchase price of approximately \$427.3 million, including fees and expenses. In addition, during this time, we invested an additional \$9.4 million, including fees and expenses, to acquire a fee interest or long-term easement under 93 wireless communications towers where we previously had a leasehold interest.

The table below is a summary of some of our larger acquisitions completed in 2004 and early 2005.

Seller	Acquisition Closing Dates	No. of Acquired Communications Sites	Purchase Price, Including Fees & Expenses (\$ million)	Investment Grade or Wireless Telephony Tenants(1)	% of Revenue From	Primary Site L normal; font-style: normal; border-bottom: 3px double #ffffff; padding-left: 0pt; text-indent: 0pt; padding-top: 0pt" align="right" valign="bottom" colspan="1" nowrap="nowrap">58
Central and e vers, Inc.	576 December 2004	95 95	Towers of Texas Inc. 27.0	December 2004 and January 2005	48 93.3	\$25.5 Arkansas, Missouri and Oklahoma

Towers, LLC(2)	November 2004	214 ₄₀	1		
amortization and	3,448	47	36	82	64.5 98.2
Loss on assets held	—	—	418	463	
Communications, LLC	October 2004 through March 2005	236	116.0	86.4	Indiana, Ohio, Alabama, Kansas and Georgia
Towers III LLC(2)	June 2004	97	53.0		
Loss on assets held	31,386	—	—	—	
	35,410	142	494	546	
Losses from discontinued	99.6	Tennessee, Mississippi, Missouri and Arkansas			
	(31,978)				

(1)As of the time of acquisition.

(2)We acquired the membership interests of the named entity, which owns the towers.

Prior to December 7, 2004, our acquisitions were funded through borrowings under our credit facility and a portion of the net proceeds from our initial public offering. Thereafter, the acquisitions were funded with cash from the site acquisition reserve account established as part of the December 2004 mortgage loan. See section entitled "Description of Certain Indebtedness — December 2004 Mortgage Loan."

On April 14, 2005, we entered into an agreement to purchase 172 wireless communications sites for approximately \$32.8 million, including estimated fees and expenses, from ForeSite LLC, which we refer to as the ForeSite 2005 acquisition. The towers are located in Alabama, Georgia, Mississippi, Louisiana, Florida, Tennessee, and South Carolina. Revenues on these towers are derived 80% from wireless telephony tenants and 18% from public utility tenants. The ForeSite 2005 transaction closed on April 29, 2005 and was funded from our site acquisition reserve account and from borrowings under the acquisition credit facility.

On March 21, 2005, we entered into an agreement to purchase 169 wireless communications sites for approximately \$56.2 million, including estimated fees and expenses, from Triton PCS Holdings, Inc. or Triton. The transaction is expected to close toward the end of the second quarter of 2005 and is subject to customary closing conditions. The towers are primarily located in the Charlotte, Raleigh and Greensboro markets of North Carolina, with additional sites located in other regions of North Carolina and in South Carolina, Georgia and Puerto Rico. Substantially all of the revenues on these towers are derived from wireless telephony tenants. As part of the transaction, Global Signal and Triton have agreed to enter into a 10-year master lease agreement, with three 5-year lease renewal options, whereby Triton will pay us an initial monthly rate of \$1,850 for each of the 169 towers.

Additionally, we obtained an exclusive option to acquire an additional 70 existing towers owned by Triton, together with an option to acquire all new towers constructed by Triton during a one-year period after closing.

As of April 25, 2005, in addition to the Triton and ForeSite 2005 acquisitions referred to above, we have executed definitive agreements and non-binding letters of intent with other parties to acquire an additional 38 communications sites and to acquire fee interest or long-term easements under an additional 10 communications towers, for an aggregate purchase price of approximately \$21.9 million, including estimated fees and expenses. We are in the process of performing due diligence on the towers under non-binding letters of intent and seek to negotiate definitive agreements.

We believe the towers we acquired and have contracted to acquire are in locations where there are opportunities for organic growth and that these towers generally have significant additional capacity to accommodate new tenants. We expect to use a portion of the proceeds from this offering to finance the acquisition of these additional towers. The above pending acquisitions are subject to customary closing conditions for real estate transactions of this type and may not be successfully completed.

) (84) (131) (396) Other income (expense), net ——— Loss before income tax benefit (expense) \$1,978 (84) Sprint Transaction

On February 14, 2005, we, Sprint, and certain Sprint subsidiaries entered into an agreement to contribute, lease and sublease, which we refer to as the Agreement to Lease. Under the Agreement to Lease, we have agreed to lease (or, if certain consents have not been obtained, operate) for a period of 32 years over 6,600 wireless communications tower sites and the related towers and assets (collectively, the "Sprint Towers") from one or more newly formed special purpose entities of Sprint under one or more master leases for which we agreed to pay approximately \$1.2 billion as prepaid rent, which we refer to as the upfront rental payment, subject to certain conditions, adjustments and pro-rations. The closing of the Sprint transaction is expected to occur toward the end of the second quarter of 2005. The Sprint transaction is subject to certain closing conditions, and there is no assurance that it will be consummated.

Pursuant to the Agreement to Lease, we expect certain Sprint entities to collocate on approximately 6,400 of the Sprint Towers for an initial period of ten years. In addition, as of December 31, 2004, there were approximately 5,600 collocation leases on the Sprint Towers with other wireless tenants and substantially all of the revenue was derived from wireless telephony tenants. We expect to use a portion of the proceeds from this offering to pay a portion of the upfront rental payment. The remainder of the upfront rental payment is expected to be financed through a combination of bridge debt financing and a private placement of equity, as is more fully described in "Business — Investment Agreement," "Business — Bridge Financing" and "Business — Revolving Credit Agreement."

Sprint Towers. As of December 31, 2004, the Sprint Towers are comprised of 5,060 monopoles, 1,419 lattice, and 136 guyed towers which generated approximately \$103.8 million of revenues during 2004 from third-party tenant leases. Sprint has also agreed to collocate on approximately 6,400 of the Sprint Towers for an initial period of ten years. On a pro forma basis, assuming we had leased the Sprint Towers beginning January 1, 2004 and including the revenues we would earn from the Sprint collocation subleases on approximately 6,400 of these towers for an initial monthly collocation charge of \$1,400 per tower, the Sprint Towers would have generated approximately \$222.4 million of revenues for the year ended December 31, 2004. Substantially all revenue attributable to the Sprint Towers in 2004 was derived from wireless telephony tenants. As of December 31, 2004, Sprint had ground leases with third parties under 6,607 of these towers with an average term, including optional renewals, of approximately 17.9 years.

Approximately 75% of the Sprint Towers are located in the top 50 basic trading area, or BTA, markets, which is a geographic area used by the Federal Communications Commission, or FCC, to define the coverage of spectrum licenses for wireless services, and approximately 87% of the Sprint Towers are located in the top 100 BTA markets in the United States. Based on the 2000 U.S. census, approximately 59% of the U.S. population is located in the top 50 BTA markets and approximately 72% of the U.S. population is located in the top 100 BTA markets. The Sprint Tower portfolio has a higher concentration of towers in both the top 50 and 100 BTA markets than any of the publicly traded tower companies.

Sprint will collocate on approximately 6,400 of these sites for an initial period of ten years. As of December 31, 2004, there were approximately 5,600 third-party tenant leases with an average remaining term of 2.5 years excluding

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renewals and the average lease rate was approximately \$1,520 per month. As of December 31, 2004, substantially all of the third-party tenant leases on the Sprint Towers were with wireless telephony tenants. The Sprint Towers have an average tenant per tower ratio of 1.8, which is lower than the towers owned in our portfolio as of December 31, 2004, and we will seek to increase this average through active marketing.

Investment Agreement. On February 14, 2005, in connection with the execution of the Sprint transaction, we entered into an Investment Agreement with (a) Fortress Investment Fund II LLC, a Delaware limited liability company, or FIF II, an affiliate of our largest stockholder, Fortress; (b) various affiliates of our third largest stockholder, Abrams Capital, LLC; and (c) Greenhill, our second largest stockholder and certain of its affiliates. We refer to the above referenced parties as the Investors, and each party individually as an Investor. For a more detailed description of the Investment Agreement, see the section entitled "Description of Certain Indebtedness — Investment Agreement." Under the Investment Agreement, the Investors committed to purchase, at the closing of the Sprint transaction, up to \$500.0 million of our common stock at a price of \$25.50 per share. The \$500.0 million aggregate commitment from the Investors will automatically be reduced by (1) the amount of net proceeds received by us pursuant to any offering of our equity securities prior to the closing of the Sprint transaction, including proceeds received in this offering, and (2) the amount of any borrowings in excess of \$750.0 million outstanding prior to the closing of the Sprint transaction under any credit facility or similar agreements provided to us in connection with the Sprint transaction.

nowrap="nowrap"> (131) (396) Income tax benefit (expense) ——— Loss from discontinued operations, net of income taxes before gain (loss) on sale of properties (31,978) (84) (131)

Bridge Financing. On February 8, 2005, we received a letter from Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC (affiliates of representatives of the underwriters) setting forth the terms on which they would provide bridge financing of approximately \$750.0 million to us for use in funding the Sprint transaction. On March 10, 2005, we executed a non-binding term sheet subject to certain conditions with Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC increasing the amount of bridge financing up to \$850.0 million. For a more detailed description of the proposed bridge financing arrangement, see the section entitled "Description of Certain Indebtedness — Bridge Financing." In the future we intend to refinance the bridge loan with a mortgage loan on or before its maturity.

Interest Rate Swaps. In connection with the Sprint transaction, on February 2, 2005 and March 21, 2005, we entered into interest rate swap agreements for a total notional value of \$850.0 million with Bank of America, N.A., an affiliate of one of the representatives of the underwriters, as counterparty, in anticipation of securing \$850.0 million or more of bridge financing, which is expected to be replaced by a mortgage loan of an equal or greater amount. For a more detailed description of the interest rate swaps, see the section entitled "Business — Interest Rate Swaps."

Financings

As of April 25, 2005, our wholly owned subsidiary, Global Signal Acquisitions LLC, or Global Signal Acquisitions, entered into a 364-day \$200.0 million credit facility, which we refer to as the acquisition credit facility, with Morgan Stanley Asset Funding Inc. and Bank of America, N.A. (affiliates of the representatives of the underwriters) to provide funding for the acquisition of additional communications sites. The acquisition credit facility is secured by substantially all of Global Signal Acquisitions' tangible and intangible assets and is guaranteed by Global Signal OP, Global Signal Inc. and any future subsidiaries of Global Signal Acquisitions. The level of available borrowings is limited based on a borrowing base. We intend to fund future acquisitions with this credit facility along with a portion of the proceeds from this offering and incremental equity offerings. Borrowings will bear interest at our option at either the Eurodollar rate or the bank's base rate, plus an applicable margin based on Global Signal Acquisitions' leverage. For a more detailed description, see section entitled "Description of Certain Indebtedness — Acquisition Credit Facility."

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On December 7, 2004, our wholly owned subsidiary, Pinnacle Towers Acquisition Holdings LLC, and five of its direct and indirect subsidiaries borrowed approximately \$293.8 million under a mortgage loan made payable to a newly created trust that issued approximately \$293.8 million in fixed-rate commercial mortgage pass-through certificates, which we refer to as the December 2004 mortgage loan, to provide fixed-rate financing for the communications sites we acquired since December 1, 2003 along with certain additional communications sites we expected to acquire. The proceeds of the December 2004 mortgage loan were used primarily to repay the \$181.7 million of then-outstanding borrowings under our credit facility and to partially fund a \$120.7 million site acquisition reserve account to be used to acquire additional qualifying wireless communications sites over the six-month period following closing. As of April 25, 2005, the site acquisition reserve account had a balance of \$15.2 million and on April 29, 2005 we used \$14.5 million to partially fund the ForeSite 2005 acquisition and expect to use the balance to fund other pending acquisitions. The December 2004 mortgage loan requires monthly payments of interest until its maturity in December 2009. The weighted average interest rate on the mortgage loan is approximately 4.74%. The December 2004 mortgage loan is secured by mortgages, deeds of trust, deeds to secure debt and first priority liens on substantially all of Pinnacle Towers Acquisition Holdings LLC's tangible assets and its interest in the five subsidiaries which we expect will have an aggregate acquisition cost of approximately \$450.0 million, including estimated fees and expenses, after all monies in the site acquisition reserve have been used to fund acquisitions.

On December 3, 2004, Global Signal OP entered into a 364-day \$20.0 million revolving credit facility pursuant to a revolving credit agreement, which we refer to as the Revolving Credit Agreement, with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the underwriters, to provide funding for working capital and other corporate purposes. On February 9, 2005, we amended and restated the Revolving Credit Agreement to provide an additional \$50 million.

(396) Gain (loss) on disposal of assets (98) —507 Gain (loss) from discontinued operations, net of income taxes \$ (32,076) \$ (84) \$ (131) \$111 On June 2, 2004, we completed our initial public offering through the issuance of 8,050,000 shares of our common stock at \$18.00 per share of common stock. We received net proceeds from the offering of approximately \$131.2 million which we primarily utilized to repay the outstanding borrowings at such time under our credit facility and to fund the acquisition of communications sites.

On February 5, 2004, our largest operating subsidiary, Pinnacle Towers LLC (known as Pinnacle Towers Inc. at the time), and 13 of its direct and indirect subsidiaries borrowed \$418.0 million under a mortgage loan made payable to a

trust, which we refer to as the February 2004 mortgage loan. The trust simultaneously issued \$418.0 million in

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commercial mortgage pass-through certificates with terms that correspond to the February 2004 mortgage loan. The proceeds from the February 2004 mortgage loan were used primarily to repay the \$234.4 million of then outstanding borrowings under our old credit facility and to fund a \$142.2 million one-time special distribution to our stockholders which represented a return of capital, including \$113.8 million to Fortress and Greenhill. As of April 25, 2005, the weighted average fixed interest rate of the various tranches of the mortgage loan was approximately 5.0%. The February 2004 mortgage loan is secured by mortgages, deeds of trust and deeds to secure debt creating first priority mortgage liens on assets which generated 91.9% of our gross margins for the year ended December 31, 2004.

Dividends

The table below is a summary of our dividend history.

Dividend Summary

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The following is a summarized balance sheet presenting the carrying amounts of the major classes of assets and liabilities related to discontinued operations as of December 31, 2003 and 2004 (in thousands):

	December 31, 2003	December 31, 2004			
Property and equipment, net					
January 1 – March 31, 2004		April 22, 2004	0.3125	13.1	13.1
October 1 – December 31, 2003		February 5, 2004	0.3125	12.8	0.6
One-time special distribution		February 5, 2004	3.4680	\$	–\$ 225
Other assets		—	—		
Assets held for sale	\$	—\$	225		
Other liabilities	\$	—\$	—		

5. Acquisitions

On September 23, 2003, a majority of our stockholders formed a new company, Pinnacle Towers Acquisition Holdings LLt-family: serif; font-size: 10pt; color: #000000; font-weight: normal; font-style: normal; border-bottom: 3px double #ffffff; padding-top: 0pt" align="right" valign="bottom" colspan="1" style="border-bottom: 3px double #ffffff; padding-top: 0pt; text-align: right;">142.2 142.2

Industry Strengths

We believe that the tower industry is attractive because of the following characteristics:

- **Strong Industry Outlook.** We believe that the following factors will drive the growth of new tenant leases:
 - o growth in the number of wireless telephony subscribers;
 - o increasing wireless telephony usage per subscriber;
 - o increasing wireless data usage;
 - o customer demand for high network quality and ubiquitous coverage;
 - o new wireless technologies, devices and applications; and
 - o significant investments by wireless telephony service providers in their networks to increase coverage and quality and to accommodate new technologies.
- **High Operating Leverage.** Operating expenses associated with adding incremental wireless tenants to an existing owned tower are relatively low resulting in a significant percentage of new revenues being converted to cash flow provided by operating activities.

During 2004 we acquired 862 wireless communication sites from 48 unrelated sellers. Of the acquired communication sites, 648 were acquired as acquisitions of assets for a total purchase price of \$294.0 million, including fees and expenses, and 214 communication sites were acquired as part of a business combination described below for \$64.5 million, including fees and expenses. Prior to December 7, 2004, the acquisitions were funded through borrowings under our credit facility and a portion of the net proceeds from our initial public offering. After December 7, 2004, the date of our December 2004 mortgage loan, the acquisitions were funded with cash from the site acquisition reserve account established as part of the December 2004 mortgage loan.

Business Combination

On November 11, 2004, we completed the acquisition of all of the membership interests of GoldenState Towers LLC ("GoldenState") for an aggregate cash purchase price of \$64.5 million, including fees and expenses. This acquisition has been accounted for as a business combination, using the purchase method of accounting and the results of GoldenState's operations have been included in the consolidated financial statements as of the date of acquisition. GoldenState owns or operates 214 wireless communication towers that derive substantially all of their revenues from wireless telephony tenants and are located primarily in California, Oregon, Idaho, Washington, Nevada and Arizona. The acquisition was partially funded from cash previously deposited in escrow and the balance with borrowings under our credit facility. The business combination represents a significant expansion of our assets, operations and employee base into the western portion of the United States.

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The following table summarizes the fair value of the assets acquired and liabilities assumed at the date of acquisition based on a preliminary third party appraisal (in thousands):

\$

- Low Maintenance Capital Expenditures. Generally, wireless towers require investments to maintain.
- Low Churn of Wireless Telephony Customers. Due to the expense of modifying their wireless network architecture and relocating their equipment, wireless carriers tend to be long-term tenants that enter into multi-year leases and renew them.
- Large and Fragmented Industry. There are approximately 115,000 communications towers in the United States with over 47,000 towers owned by small tower operators and individuals and over 21,000 towers owned by wireless telephony service providers, which provides significant acquisition opportunities.

Growth Strategy

Our objective is to increase our Adjusted EBITDA, AFFO and our dividend per share of our common stock. Key elements of our strategy to achieve this objective include:

- Grow our Revenues by Adding New Tenants to our Existing Communications Sites. We believe that we can take advantage of our site capacity and locations, strong customer relationships and operational expertise to attract new tenants to our existing communications sites. On a pro forma basis for the Sprint transaction and the Triton and ForeSite 2005 acquisitions, as of December 31, 2004, we would own, manage or lease over 11,000 communications sites and we would be the third largest wireless communications tower operator based on number of towers owned, managed or leased.
- Expand our Communications Sites Network Through Acquisition and Development of Towers. We plan to purchase or selectively develop towers in locations where we believe there is, or will be, significant demand for wireless services which should drive network expansion and increase demand for space on our towers. We will focus our acquisition efforts on towers that already have an existing telephony tenant, or in the case of new builds, a telephony customer committed to a new lease, and have the potential to add multiple additional telephony tenants. We believe that telephony tenants provide a relatively stable revenue stream and that there is a high likelihood of lease renewals by multiple tenants. Since 1998, we have experienced average annualized churn as a result of non-renewal and other lease terminations from our telephony tenants of less than 1% of annualized telephony revenues.
- Maintain an Efficient Capital Structure. We believe that our low-cost debt, combined with appropriate leverage, will allow us to maintain operating and financial flexibility. Our capital management strategy is to finance newly acquired assets, on a long-term basis, using equity issuances combined with low-cost fixed-rate debt obtained through the periodic issuance of mortgage-backed securities. Prior to issuing mortgage-backed securities, our strategy is to finance communications sites we acquire on a short-term basis through credit facilities we expect to obtain on terms similar to the acquisition credit facility.

Asset retirement obligation	(143)
Net assets	\$64,458

Intangible assets consist of \$15.3 million of lease absorption value and \$0.4 million of lease origination value, each of which will be amortized over their estimated life of 23 years. Amortization for each of the next five years will total approximately \$0.7 million per year.

Unaudited pro forma financial information is not presented because the annual revenues of GoldenState are less than 5% of our consolidated 2004 revenues and hence the impact of the acquisition is not expected to be material.

Other

In June 2004, we acquired the remaining 9% minority interest in Pinnacle Towers Limited, our UK subsidiary, for approximately \$1.2 million including fees and expenses. We funded the acquisition of the minority interest with a portion of the net proceeds from our initial public offering.

A number of our acquisition agreements provide for additional proceeds to be paid to the sellers for future lease commencements during a certain period, usually one year or less, after the acquisition is completed, or upon the occurrence of a specific event. The amount of this contingent purchase price is not expected to be material. As of December 31, 2004 and 2003, we had no accruals for future contingent acquisitions payments, and had maximum additional contingent payments of \$1.5 million.

6. Fixed Assets

Fixed assets consist of the following (in thousands):

- Build on Relationships with Wireless Telephony Carriers. We maintain a consistent and focused dialogue with our wireless telephony carriers in order to meet their network needs.

Estimated
useful
lives in years

- Outsource New Tower Development and Construction. We outsource all aspects of new tower development, including engineering, initial land acquisition, zoning and construction. We believe that by outsourcing, we avoid most of the high overhead and risks associated with providing these services.

Our Strengths

- High Quality Communications Sites with Diversified and Relatively Stable Cash Flows. As of December 31, 2004, we owned or managed 4,060 communications sites, including 2,988 owned towers. Our diversified customer base, which includes over 2,000 customers with over 15,000 leases, has historically provided us with a relatively stable cash flow stream. Our tenants include a wide variety of wireless service providers, government agencies, operators of private networks and broadcasters.
- Efficient and Well-Organized Operating Platform. We have recently spent a significant amount of time and capital on improving our operations. Our organizational structure, sales force, business processes and systems are oriented towards improving customer service and adding new tenants. For example, we have recently implemented new computer systems to manage our communications sites, tenant and ground leases, and to handle our accounting and billing functions. In addition, we recently implemented a digital library that provides us with easy access to our key records and allows us to rapidly respond to customer requests and to deploy new tenants on our sites.
- Experienced Management Team. We have an experienced management team that is highly focused on growing our business. Our management team owns, and is incentivized with options to acquire, a total of approximately 4.1% of our common stock on a fully diluted basis, as of December 31, 2004.
- Tax-Efficient REIT Status. We are organized as a REIT, which enables us to reduce our corporate-level income taxes by making dividend distributions to our stockholders and to pass our capital gains through to our stockholders in the form of capital gains dividends.

History

We were formed in 1995 to acquire and manage wireless towers and other communications sites. We historically funded our operations through bank credit facilities and issuances of debt and equity securities. Prior to our

emergence from bankruptcy, we were unable to meet our financial obligations due primarily to (1) our highly leveraged capital structure, (2) the acquisition of non-strategic assets we have subsequently disposed of that were unrelated to our core tower business and (3) the inability of our former management to efficiently integrate and manage our commun">December 31,

2003 December 31,

2004 Communications assets: Communications tower assets 13-16 \$344,798 \$640,700 Communications site equipment 12 2,736 5,222 Buildings 15-40 Under the prearranged plan of reorganization, Fortress and Greenhill purchased 22,526,598 shares of our common stock for an aggregate purchase price of \$112.6 million and elected to receive an additional 9,040,166 shares of common stock in lieu of \$45.2 million of cash for the 10% senior notes due 2008 they held making their total investment in us in connection with the reorganization \$157.8 million. Other senior noteholders entitled to receive \$47.2 million of cash elected to receive 9,433,236 shares of common stock in lieu of cash, making the total equity investment \$205.0 million. Since our reorganization, Fortress and Greenhill increased their holding of our common stock through the purchase of shares and exercise of warrants and options for a net increase totaling 1,687,326 of common stock for an aggregate purchase price of \$11.4 million. In addition, over this period, Fortress and Greenhill have received distributions representing a return of capital totaling \$167.1 million comprised of a special distribution on February 5, 2004, and returns of capital related to their portion of our ordinary dividends to the extent the dividends exceeded accumulated earnings, thereby decreasing Fortress and Greenhill's total investment to \$2.1 million.

Under the plan, we satisfied \$325.0 million of indebtedness related to our senior notes for \$21.6 million in cash and 18,473,402 shares of our common stock valued at \$92.4 million, and satisfied \$187.5 million of indebtedness related to our 5.5% convertible notes due 2007 for \$1.0 million in cash and warrants to purchase 820,000 shares of our common stock. In total \$404.8 million, including \$7.3 million of accrued interest was discharged under the reorganization. Under the plan, our then existing senior credit facility lenders were paid approximately \$93.0 million in cash, with the balance of the full amount owed to them incorporated into an amended and restated credit facility comprising a three-year secured term loan of \$275.0 million. In addition, certain of these lenders provided a secured revolving credit facility of \$30.0 million. We refer to the term loan and revolving credit facility, collectively, as our old credit facility. The plan was confirmed by the bankruptcy court on October 9, 2002, and we exited bankruptcy in November 2002 with Fortress as our controlling stockholder. On February 5, 2004, the old credit facility was repaid in full and terminated.

Prior to our reorganization we acquired certain non-strategic assets unrelated to our core tower business, which have subsequently been sold, and our former management was unable to efficiently integrate and manage our communications sites. Our current growth strategy, which is in part based on a new site acquisition and development strategy, is significantly different. The primary differences are (1) our strategy to finance our assets using a capital structure which we believe does not rely on growth to reduce leverage and uses low-cost fixed-rate debt obtained through the issuance of mortgage-backed securities combined with a portion of the proceeds from equity offerings, including this offering, to finance our new tower acquisitions and development growth, (2) our strategy to buy core tower assets with in-place telephony, investment grade or government tenants where we believe there is a high likelihood of multiple lease renewals, (3) our stringent underwriting process which is generally designed to allow us to evaluate and price acquisitions based on their current yields and on the asset and tenant attributes, and location of the asset and (4) our focus on integrating, maintaining and operating the assets we buy efficiently and effectively.

We were incorporated in the State of Delaware in 2002. Our predecessor company was incorporated in the State of Delaware in 1995. Our principal executive offices are located at 301 North Cattlemen Road, Suite 300, Sarasota, Florida 34232. Our telephone number is (941) 364-8886. Our website address is www.gsignal.com. Information on our website does not constitute part of this prospectus.

Organization Structure of Global Signal Inc.
and Significant Subsidiaries (1)

(1) Unless otherwise noted, all ownership is 100% and the number of communications sites shown indicates sites held directly or indirectly as of December 31, 2004.

(2) The borrower under the Revolving Credit Agreement.

(3) The borrowers under the Revolving Credit Agreement.

The number of communications sites held by Pinnacle
increase as the site acquisition reserve is invested.

(5) Global Signal Acquisitions LLC is the borrower under the acquisition credit facility and the entity which will acquire future wireless communications sites (excluding the Sprint Towers) once our current site acquisition reserve has been fully invested.

(6) Global Signal Acquisitions II LLC, or one of its subsidiaries, is expected to be the borrower under the bridge loan and the entity that will enter into the lease with Sprint to operate the Sprint Towers.

(7) Our primary management and services company that has management agreements with Pinnacle Towers LLC and its subsidiaries and with Pinnacle Towers Acquisition Holdings LLC and its subsidiaries. Global Signal Services LLC is also expected to provide similar services to Global Signal Acquisitions LLC and Global Signal Acquisitions II LLC.

Risks Relating to Our Business

- We emerged from Chapter 11 bankruptcy reorganization in November 2002, have a history of losses and do not expect to be able to maintain positive net income.
- You may not be able to compare our historical financial information to our current financial information, which will make it more difficult to evaluate an investment in our common stock.
- Failure to close the Sprint transaction could negatively impact our stock price and financial results and subject us to a forfeiture of our \$50.0 million deposit.
- We may encounter difficulties in acquiring towers at attractive prices, closing the Sprint transaction or integrating acquisitions with our operations, which could limit our revenue growth and increase our expected net losses.
- A decrease in the demand for our communications sites or our ability to attract additional tenants could negatively impact our financial position.

Other:

3 1,073

5-8 3,692

3-5 3,260 • Our revenues may be adversely affected by the economies, and the communications industries in the regions where our sites are located.

•

Consolidation in the wireless industry and changes to the regulations governing wireless services could decrease the demand for our sites and may lead to reductions in our revenues.

- Our revenues are dependent on the creditworthiness of our tenants, which could result in uncollectable accounts receivable and the loss of significant customers and anticipated lease revenues.
- We have significant customer concentration and the loss of one or more of our major customers or a reduction in their utilization of our communications site space could result in a material reduction in our revenues.
- We believe that it is likely that a master lease with our largest customer will be renewed or extended on significantly less favorable terms and rates.
- We have had material weaknesses in our internal controls and these may not have been remedied, or other internal control weaknesses could exist.
- As of December 31, 2004, our tenant leases had a weighted average current term of approximately 5.3 years and had a weighted average remaining term of 2.9 years excluding optional renewal periods. Our revenues depend on the renewal of our tenant leases by our customers.
- We recently implemented new software systems throughout our business and may encounter integration problems that affect our ability to serve our customers and maintain our records, which in turn could harm our ability to operate our business.
- If we are unable to successfully compete, our business will suffer.
- Competing technologies may offer alternatives to ground-based antenna systems, which could reduce the future demand for our sites.

	6,974		
Total fixed assets		392,835	707,301
Accumulated depreciation		(35,677)	(71,101)
Fixed assets, net		\$ 357,158	\$ 636,200

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7. Intangible Assets

and software developments are increasing our tenants' ability to more efficiently utilize spectral capacity and to share transmitters, which could reduce the future demand for our sites.

• Equipment

- Carrier joint ventures and roaming agreements, which allow for the use of competitor transmission facilities and spectrum, may reduce future demand for incremental sites.
- We may be unable to modify our towers or procure additional ground space, which could harm our ability to add additional site space to our communications sites and new customers, which could result in our inability to execute our growth strategy and limit our revenue growth.

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- We may not be able to obtain credit facilities in the future on favorable terms to enable us to pursue our acquisition plan, and we may not be able to finance our newly acquired assets in the future or refinance outstanding indebtedness on favorable terms, which may result in an increase in the cost of financing and

which in turn may harm our ability to acquire new towers and our financial condition.

- Repayment of the principal of our outstanding indebtedness (including repayment of our acquisition credit facility and our proposed bridge facility to finance a portion of the upfront rental payment due in connection with the Sprint transaction) will require additional financing that we cannot ensure will be available to us.
- Our failure to comply with federal, state and local laws and regulations could result in our being fined, liable for damages and, in some cases, the loss of our right to conduct some of our business.
- The failure of our communications sites to be in compliance with environmental laws could result in liability and claims for damages that could result in a significant increase in the cost of operating our business.
- Because we generally lease, sublease, license or have easements relating to the land under our towers, our ability to conduct our business, secure financing and generate revenues may be harmed if we fail to obtain lease renewals or protect our rights under our leases, subleases, licenses and easements.
- Our tenant leases require us to be responsible for the maintenance and repair of the sites and for other obligations and liabilities associated with the sites and our obligations to maintain the sites may affect our revenues.

Intangible assets consist of goodwill, lease absorption value, leasehold interests, lease origination value, and an indefinite life trademark. The intangible assets, other than the trademark and goodwill, are being amortized over estimated useful lives ranging from 4 to 28 years, with estimated future amortization as follows as of December 31, 2004 (in thousands):

Year ending December 31,	
2005	\$ 17,425
2006	16,465
2007	7,960
2008	7,260
2009	6,687
2010 and thereafter	106,056

- Site management agreements may be terminated prior to expiration, which may adversely affect our revenues.
- Our towers may be damaged by disaster and other unforeseen events for which our insurance may not provide adequate coverage and which may cause service interruptions affecting our reputation and revenues and resulting in unanticipated expenditures.
- If radio frequency emissions from our towers or other equipment used in our tenants' businesses are demonstrated, or perceived, to cause negative health effects, our business and revenues may be harmed.
- The terms of our mortgage loans, Revolving Credit Agreement, acquisition credit facility and the Sprint Agreement to Lease may restrict our current and future operations, which could adversely affect our ability to respond to changes in our business and to manage our operations.
- Our Chief Executive Officer has management responsibilities with other companies and may not be able to devote sufficient time to the management of our business operations.

Risks Relating to Our REIT Status

- Our failure to qualify as a REIT would result in higher taxes and reduce cash available for dividends.
- Dividends payable by REITs generally do not qualify for the reduced tax rates under tax legislation enacted in 2003.
- REIT distribution requirements could adversely affect our liquidity.
- The stock ownership limits imposed by the Internal Revenue Code of 1986, as amended, for REITs and our amended and restated certificate of incorporation may inhibit market activity in our stock and may restrict our business combination opportunities.

Risks Relating to this Offering

8. Impairment on Assets Held for Sale

The following assets met the held for sale" criteria during periods prior to January 1, 2002, when we followed SFAS No. 121 and thus are not reflected as discontinued operations.

Wire Line Telephony Collocation Facilities

On June 7, 2001, the Predecessor Company adopted a plan to dispose of certain operating assets pursuant to management's decision to dedicate resources to improving the financial results of communications site operations. Of the original five wire line telephony co-location properties held for sale, three were sold in 2001 and two were sold in the ten months ended October 31, 2002.

The historical carrying value of the five wire line telephony co-location facility properties, which were acquired during 2000, prior to any impairment was approximately \$65.0 million. During the year ended December 31, 2001, we recognized an impairment loss of approximately \$37.5 million, which is included in operating expenses as impairment on assets held for sale. This amount represents the difference between the carrying values and the estimated fair market value less costs to sell for these five properties at the end of the year. We estimated the fair market value less costs to sell based upon actual purchase and sale agreements and for those which were prior to such time of our entering into purchase and sale agreements, we estimated sales price based on an anticipated multiple of cash flow for the wire line telephony co-location facilities. Depreciation expense was not recognized after the date the co-location assets were classified as held for sale.

For the ten months ended October 31, 2002, the two remaining wire line telephony co-location facilities had net operating losses of \$0.3 million. The combined properties produced revenues of \$1.1 million, had operating expenses of \$0.4 million, and tax and depreciation charges of \$1.0 million.

Land

On September 27, 2001, we adopted a plan to dispose of additional operating assets. As a result of the adoption of this plan, our interest in 88 parcels of owned land principally located under towers currently owned by other tower companies and communications service providers were classified as assets held for sale and an impairment loss of \$5.1 million was recognized.

As a condition of our new investors' equity contributions on November 1, 2002, these land parcels could no longer be sold. They have therefore been reclassified into assets held for use, as of October 31, 2002, in accordance with SFAS No. 121. For reclassification purposes, the asset was measured at the lower of the carrying amount of the asset before it was classified as held for sale, or the fair value of the asset at the date of the subsequent decision not to sell. We reclassified \$7.9 million, the current estimated fair market value, into assets held for use as of October 31, 2002.

9. Impairment on Assets Held for Use

In connection with our bankruptcy filing in May 2002, we evaluated our sites to determine whether to either renegotiate or reject the underlying land lease or management agreement as part of the

The market price of our common stock could be negatively affected by sales of substantial amounts of our common stock in the public markets.

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- The market price of our stock could be negatively affected by sales of substantial amounts of our common stock if Fortress or Greenhill, our two largest stockholders, default under credit agreements secured by their respective holdings of shares of our common stock.
- The issuance of additional stock in connection with acquisitions or otherwise will dilute all other stockholdings.
- The price of our common stock may fluctuate substantially, which could negatively affect us and the holders of our common stock.
- Investors in this offering will suffer immediate and substantial dilution.
- ERISA may restrict investments by Plans in our common stock.
- Our authorized but unissued common and preferred stock may prevent a change in our control.
- Anti-takeover provisions in our amended and restated certificate of incorporation, the Revolving Credit Agreement and the acquisition credit facility could have effects that conflict with the interests of our stockholders.
- We have not established a minimum dividend payment level, there are no assurances of our ability to pay dividends in the future, and our ability to maintain our current dividend level depends both on our earnings from existing operations and our ability to invest our capital to achieve targeted returns.
- Global Signal Inc. is a holding company with no material direct operations.
- Your ability to influence corporate matters may be limited because a small number of stockholders beneficially own a substantial amount of our common stock.

bankruptcy process. In addition as part of this process, we identified 174 sites which were impaired, and in September and October 2002 recorded impairment losses of \$4.5 million.

10. Accrued Expenses

Accrued expenses consist of the following (in thousands):

December 31, 2003		December 31, 2004	
\$	6,843	\$	5,010
	6,010		5,660
	152		

osts
would result in an increase in our
adversely affect our results of
tion.

- Our fiduciary obligations to Global Signal OP may conflict with the interests of our stockholders.
- Future limited partners of Global Signal OP may exercise their voting rights in a manner that conflicts with the interests of our stockholders.

The Offering

The following information assumes that the underwriters do not exercise their overallotment option to purchase additional shares in this offering.

Common stock we are offering	5,750,000 shares
Common stock to be outstanding after the offering	57,993,989 shares
NYSE symbol	"GSL"

The number of shares of common stock that will be outstanding after the offering excludes options and warrants exercisable to purchase 3,104,279 shares of common stock outstanding as of April 25, 2005 and excludes 9,803,922 shares expected to be issued in connection with the Sprint transaction to the Investors pursuant to the Investment Agreement.

Use of Proceeds

Based on the assumed offering price of \$30.12, our net cash proceeds from the sale of the shares of common stock will be approximately \$163.0 million, or approximately \$179.5 million if the underwriters exercise their overallotment option in full, after deducting underwriting discounts, commissions and estimated offering expenses.

We intend to use the net proceeds of this offering as follows:

- Approximately \$82.0 million to finance a portion of the upfront rental payment of approximately \$1.2 billion

Interest	109	2
Professional fees	746	
Taxes, income related	310	
	\$14,170	\$14

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transaction. For a more detailed description of the Sprint transaction, see "Business—Sprint Transaction." The Sprint transaction is subject to certain closing conditions and may not close. In the event the Sprint transaction does not close we intend to use the net proceeds of this offering to finance the acquisition of other communications sites and for general corporate purposes.

- Approximately \$55.0 million to repay the debt outstanding under our Revolving Credit Agreement with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, including \$50.0 million incurred to finance the Sprint transaction deposit, currently held in escrow, and \$5.0 million incurred to pay for a portion of the costs and expenses of the Sprint transaction. The \$50.0 million was borrowed under the term loan portion of the Revolving Credit Agreement and the \$5.0 million was borrowed under the multi-draw term loan portion of the Revolving Credit Agreement. On April 25, 2005, the interest rate on the multi-draw portion of the Revolving Credit Agreement was 4.74% and, the interest rate on the term loan portion of the Revolving Credit Agreement was 4.68%. The term loans mature on the earlier to occur of (1) August 14, 2005, (2) the date that we receive a refund of our \$50.0 million deposit from Sprint under the Agreement to Lease, or (3) the date of the closing of the Sprint transaction. We expect to use borrowings under the Revolving Credit Agreement primarily to fund costs and expenses relating to the Sprint transaction and general corporate purposes, including funding acquisitions, from time to time, of additional wireless communications towers and other communications sites;

- Approximately \$26.0 million to be used for working capital and other general corporate purposes, which may include future acquisitions.

A tabular presentation of our estimated use of proceeds based on an assumed offering price of \$30.12 follows:

	Dollar Amount (in thousands)
11. Debt	
Our outstanding debt as of December 31, 2003 and 2004 consists of the following:	
	December 31, 2003
February 2004 Mortgage Loan, weighted average interest rate of approximately 5.0% secured by first priority mortgage liens on substantially all tangible assets of Pinnacle Towers LLC and its subsidiaries, monthly principal and interest installments beginning March 2004, contractual maturity of January 2029, expected maturity of January 2009.	\$
December 2004 Mortgage Loan, weighted average interest rate of approximately 4.7% secured by first priority mortgage liens on substantially all tangible assets of Pinnacle Towers Acquisition LLC and its subsidiaries, monthly interest-only installments beginning January 2005, contractual maturity of December 2009.	
Capital lease obligations, interest rate fixed at 10.3%, secured by the underlying capital assets, with monthly principal installments beginning April 2004 through December 2007.	
Underwriting discount and commissions	(7,700)
Other expenses of offering	(2,400)
Net offering proceeds	\$ 162,900
Revolving Credit Facility, interest at a variable rate of LIBOR plus 3% or the lender's base rate plus 2%, secured by a pledge of Global Signal OP's assets, maturity date of December 2005.	
Previous Credit Facility, interest at variable rates (4.87% to 4.92% at December 31, 2003), monthly installments of interest beginning January 2, 2004, repaid and terminated in December 2004.	
Old Credit Facility, interest at variable rates (5.6% to 6.13% at December 31, 2003) secured, quarterly principal installments beginning March 31, 2003, repaid and terminated in February 2004.	
Note payable to former tower owner, interest at 10.0% per annum, monthly installments of principal and interest through June 18, 2008, repaid and terminated in February 2004.	
\$ 173,100	(in thousands)

on of the upfront rental payment to Sprint	\$	82,007
standing under our Revolving Credit	\$	55,000
capital and other general corporate		25,976
	\$	162,983

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	December 31, 2003	December 31, 2004
Pinnacle Towers Ltd. Term Loan, interest rate at 2% above base rate(5.75% at December 31, 2003), quarterly principal installments begin March 31, 2004, repaid and terminated in June 2004.	1,077 264,251	— 100.0%

Pending these uses, we intend to invest the net proceeds in interest-bearing, short-term investment grade securities or money-market accounts, which is consistent with our intention to maintain our qualification as a REIT.

Restrictions on Ownership of Stock

Due to limitations on the concentration of ownership of a REIT imposed by the Internal Revenue Code, our amended and restated certificate of incorporation generally prohibits any stockholder, unless exempted by our board of directors, from directly or indirectly owning more than 9.9% of our stock. Our board of directors may grant such an exemption in its sole discretion, subject to such terms, conditions, representations and undertakings as it may determine. Certain of our stockholders are exempt from these ownership limits.

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Benefits to Affiliates and Certain Other Parties

Our directors and officers receive compensation in connection with their service to us as described in "Management — Compensation of Directors" and "Management — Executive Compensation."

706,92

Less: current portion of long-term debt

The following table shows the maturities of long-term debt at December 31, 2004 (in thousands):

8,268
8,797
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9,361 Following a statement issued by the staff of the Office of the Chief Accountant of the Securities and Exchange Commission, or SEC, on February 7, 2005 clarifying certain issues related to lease accounting, we announced that we would change our accounting with respect to certain types of leases. In March 2005, we restated our financial statements for the two months ended December 31, 2002, the fiscal year ended December 31, 2003 and the first three fiscal quarters of 2004 for errors in our lease accounting with respect to certain types of leases and related long-lived assets. These restatements were reflected in our annual report on Form 10-K for the year ended December 31, 2004.

Predecessor
Company

In March 2005, our independent registered public accounting firm informed the audit committee of our board of directors that, as a part of their audit of our financial statements and primarily as a result of the restatement, they were notifying the Audit Committee of a material weakness related to the design or operation of the internal control components over our accounting for leases and depreciation of leasehold improvements. We have started to take corrective actions to remedy this internal control deficiency.

The information set forth below should be read in conjunction with "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated

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financial statements, our consolidated financial statements, our pro forma condensed consolidated financial statements, Tower Ventures', ForeSite 2005's, Lattice's, Didier Communications', Towers of Texas', Triton's and the Sprint Site USA's statements of revenue and certain expenses, and each of their related notes included elsewhere in this prospectus.

2009		671,428
	\$	706,920

The February 2004 Mortgage Loan

On February 5, 2004, our principal operating subsidiary, Pinnacle Towers LLC and thirteen of its direct and indirect subsidiaries issued a \$418.0 million mortgage loan to a newly formed trust, Global Signal Trust I ("February 2004 mortgage loan"). The trust then issued an identical amount of commercial mortgage pass-through certificates in a private transaction. We have continued to consolidate our subsidiaries, but have not consolidated the Trust in our financial statements. The net proceeds from the February 2004 mortgage loan were used to repay the then outstanding borrowings under our old credit facility of \$234.4 million, to fund a \$142.2 million special distribution to our stockholders, to fund \$4.6 million of restricted cash into an imposition reserve which was required to be escrowed in connection with our securitization transaction and February 2004 mortgage loan and relates to taxes, insurance and rents and the remaining \$15.9 million was available to fund operations.

The principal amount of the February 2004 mortgage loan is divided into seven tranches, each having a different level of seniority. Interest accrues on each tranche at a fixed rate per annum. As of December 31, 2004, the weighted average interest rate on the various tranches was approximately 5.0%. The February 2004 mortgage loan is secured by mortgages, deeds of trust, deeds to secure debt and first priority mortgage liens in more than 1,100 of our communications sites of Pinnacle Towers LLC and its thirteen direct and indirect subsidiaries. The February 2004 mortgage loan requires monthly payments of principal and interest calculated based on a 25-year amortization schedule through January 2009 (the "Anticipated Repayment Date"). If the February 2004 mortgage loan is not repaid in its entirety by the Anticipated Repayment Date, the interest rate on the February 2004 mortgage loan increases by the greater of 5.0% or a U.S. Treasury-based index, and substantially all of the borrower's excess cash flow from operation is utilized to repay outstanding amounts due under the February 2004 mortgage loan.

On a monthly basis, the excess cash flows from the securitized entities, after the payment of principal, interest, reserves and expenses, are distributed to us. The February 2004 mortgage loan requires us to maintain a minimum debt service coverage ratio ("DSCR") defined as the preceding 12 months of net cash flow, as defined in the February 2004 mortgage loan, divided by the amount of principal and interest payments required under the February 2004 mortgage loan in the next 12 months, of 1.45 times. Net cash flow, as defined in the February 2004 mortgage loan, with respect to Pinnacle Towers LLC and its 13 direct and indirect subsidiaries, is approximately equal to gross margin minus capital expenditures made for the purpose of maintaining our sites, minus 10% of revenue. If the DSCR falls below 1.45 times, the excess cash flows from the securitized entities are escrowed until the DSCR exceeds 1.45 times for two consecutive quarters, at which time the previously escrowed excess cash flow is released to us. If the DSCR falls below 1.2 times, all excess cash flow, including amounts previously escrowed, is used to repay

outstanding principal due under the February 2004 mortgage loan. The February 2004 mortgage loan also restricts our ability to incur unsecured indebtedness without confirmation from the rating agencies that such indebtedness will not impact the February 2004 mortgage loan rating. Because the February 2004 mortgage loan has covenants which require our subsidiaries to maintain certain financial ratios, these covenants could indirectly limit our subsidiaries' ability to pay dividends to us.

Ten Months
Ended
October 31,
2002
(dollars in thousands)

Two Month
Ended
December 31,
2002

7,435

\$

6,570
0,865

7,523

Old Credit

Prior to the issuance of the February 2008 mortgage loan, our operating subsidiaries, Pinnacle Tower, then known as I Towers Inc., and our direct and indirect subsidiaries, were provided an amended and restated bank credit facility which provided a term loan of \$275.0 million and outstanding borrowings totaling approximately \$235.0 million as of December 31, 2007. A revolving line of credit of \$15.0 million was also provided. Borrowings outstanding as of December 31, 2007 under the old credit facility

provided by a syndicate of lenders, for which we are a member of America, N.A. as the administrative agent. The amount available under our credit was reduced by the exercise of the option, from \$15.0 million to \$15.0 million. Interest on both the term loan and revolving credit was charged at the option, at either a rate of plus 4.5% or the bank's base rate plus 3.5%. In addition, we were required to pay a commitment fee of 0.5% per annum in respect of the undrawn portion of the revolving credit. In connection with our issuance of the February 2004 mortgage loan, we repaid the outstanding amount under the term loan and terminated the operation of the facility's line of credit. As a result, we expect to have remaining unamortized deferred financing expense of approximately \$1.0 million in February 2004.

Senior Notes-Predecessor Company

On March 17, 2004, the Predecessor Company issued \$325.0 million of the Senior Notes with scheduled maturities from 2008 through 2015. The placement of the Senior Notes was oversubscribed by institutional investors. The Predecessor Company had the right to redeem the Senior Notes at any time after March 15, 2004, at a price of 105.0% of the principal amount.

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May 2000 Swap

In May 2000 we entered into an interest rate swap agreement (“May 2000 swap”) with our old credit facility agent bank as the counter party to manage the interest rate risk associated with certain of our variable rate debt. This swap agreement effectively converted our old credit agreement's floating rate debt from LIBOR plus a margin, as defined in the agreement, to a fixed rate debt of 6.37% plus the applicable margin under the credit agreement on an amount equal to the notional value of the interest rate swap.

We adopted the provisions of SFAS No. 133, as amended, on January 1, 2001, which resulted in a cumulative effect of an accounting change of approximately \$4.0 million being recognized in other comprehensive income. The May 2000 swap did not qualify for hedge accounting treatment. Accordingly, changes in the fair value of the May 2000 swap that occurred subsequent to January 1, 2001, have been recognized in current operations.

As a condition of our old credit facility, we were required to enter into and maintain interest rate hedge contracts covering a minimum of 50% of the debt outstanding under the senior credit facility. On October 31, 2002, we entered into the sixth amendment and restatement to our old facility which did not require a swap contract, however we maintained the May 2000 swap. The May 2000 swap was for a notional amount of \$260.0 million through December 31, 2002 and the bank exercised its option to extend the contract for \$130.0 million through December 31, 2003 at which time the swap agreement expired and was not replaced.

The following table summarizes the impact of changes in fair value of the May 2000 swap on our results of operations in the indicated periods (in thousands):

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Predecessor Company		Successor Company		
	10,119	47,137	54,288	154,955
Ten Months Ended October 31, 2002		Two Months Ended December 31,	Year Ended December 31,	Year Ended December 31,

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	2002		2003		2004	
Assets	\$	5,136	\$	257	\$	212
Liabilities				1,479		4,235
Net position						4,235
Cost of swap	\$	2,668		—		—
		7,804		—		5,559
		59,124		—		—
						\$257
						\$212

December 2003 Swap

On December 11 2003, in anticipation of the issuance of the February 2004 mortgage loan, we entered into a forward-starting interest rate swap agreement ("December 2003 swap") with Morgan Stanley as the counterparty to hedge the variability of future interest payments under the anticipated February 2004 mortgage loan. Under the December 2003 swap, we agreed to pay Morgan Stanley a fixed rate of 3.816% on a notional amount of \$400.0 million for five years beginning in March 2004 in exchange for receiving floating payments based on three month LIBOR on the notional amount for the same five-year period. The December 2003 swap required us to begin making monthly payments to the counter party equal to the difference between 3.816% and the then current three month LIBOR rate, which was 1.15% on December 31, 2003, on the notional amount of \$400.0 million. The December 2003 swap was terminated in connection with the issuance of the February 2004 mortgage loan on February 5, 2004 at a cost of \$6.2 million which was recorded as part of other comprehensive income and is being amortized as interest expense using the effective interest method over five years, the expected life of the February 2004 mortgage loan. The effective interest rate on the mortgage loan, including the cost of terminating the interest rate swap and the amortization of deferred debt issuance costs, is approximately 6.0%. For the years ended December 31, 2003 and 2004, amortization of \$0 and \$1.2 million, respectively, was recorded as interest expense. The following table summarizes the impact of the December 2003 swap on our results of operations in the indicated periods (in thousands):

	Year Ended December 31, 2003	Year Ended December 31, 2004	Amortization to interest expense
Total operating expenses	167,385	15,192	76,378
Operating income (loss)	(76,520)	3,234	33,720
Total earnings impact of swaps	\$ —	\$ 1,191	82,002
			\$ —
			190,930

March 2004 Swaps and August 2004 Swaps

On March 26, 2004, in anticipation of our December 2004 mortgage loan, we entered into four forward-starting interest rate swaps with Morgan Stanley as counterparty to hedge the variability of future interest rates on the anticipated December mortgage loan. Under the interest rate swaps, we agreed to pay the counterparty a fixed interest rate of 3.416% on a total notional amount of \$200.0 million beginning in

October 2004 through April 2009 in exchange for receiving floating payments based on three month LIBOR on the same notional amount for the same five-year period. The swaps were to terminate on the earlier of the closing of any new mortgage loan or January 1, 2005, at which time the swaps were to be settled for cash based on the then fair market value.

On August 27, 2004, in anticipation of our December 2004 mortgage loan, we entered into two additional forward-starting interest rate swaps with Morgan Stanley as counterparty to hedge the variability of future interest rates on the anticipated December mortgage loan. Under the interest rate swaps, we agreed to pay the counterparty a fixed interest rate of 3.84% on a total notional amount of \$100.0 million beginning in October 2004 through April 2009 in exchange for receiving floating payments based on three month LIBOR on the same notional amount for the same five-year period. The swaps were to terminate on the earlier of the closing of any new mortgage loan or January 31, 2005, at which time the swaps were to be settled for cash based on the then fair market value.

Concurrent with the pricing of the December 2004 mortgage loan, we terminated our six interest rate swaps and received a net payment of \$2.0 million which was recorded as part of other comprehensive

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income and which is being amortized as a reduction of interest expense using the effective interest method over five years, the expected life of the December 2004 mortgage loan. Because the \$300.0 million total notional value of the six interest rate swaps exceeded the \$293.8 million principal amount of the December 2004 mortgage loan, one of the swaps was no longer effective and we expensed approximately \$40,000 as additional interest expense, related to the fair market value of one of our August 2004 swaps, during the fourth quarter of 2004. The following table summarizes the impact of the March and August 2004 swap on our results of operations in the indicated periods (in thousands):

	Year Ended December 31, 2004		
Ineffective portion of interest rate swap charged to interest	38,620		
Gain (loss) on extinguishment of debt	404,838	—	—(9,018) (9,018)
Interest expense, net.	45,720	4,041	20,477