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 [redacted]
10% [redacted]

[redacted]

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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Skadden, Arps, Slate, Meagher & Flom LLP	Sidley Austin Brown & Wood LLP	Sidley Austin Brown & Wood LLP
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New York, New York 10036-6522	New York, New York 10019	10 S. Dearborn Street
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		(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

ss of istered		Amounts to be Registered[1]	Proposed Maximum Offering Price Per Share[2]
n on nt	$	23,050	
ated to ors'		14,752	
ation of ce		9,128	
ated to		5,740	
		3,385	
ated		1,973	

n fees g value			Proposed Maximum Aggregate Offering 696Price[1][2]		Amount of Registration Fee		
6,325,000	$	30.08	$	190,256,000		$	22,393.

(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
$ $

cy 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
e consummation of the Sprint transaction will

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

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

rs and other communications sites. Although we
stern and mid-Atlantic regions of the United
5 of these towers and we lease the land under
space or where we had a sublease arrangement
he Triton and ForeSite 2005 acquisitions
unications tower operator based on number of

376,473
115,000

798

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

Adjusted EBITDA is not a measure of performance calculated in accordance
"Management's Discussion and Analysis of Financial Condition and Results
Financial Measures — Adjusted EBITDA" for a detailed description of why
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 M 31,	
	2005	2004
	(unaudited)	
Net income	$ 3,896	$ (6,
Depreciation, amortization and accretion	17,558	
Total liabilities and stockholders' equity	$ 909,098	$ (7,

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Adjustments reflected in the reorganized condensed consolidated balance she

(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 investme
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 paymen
various fees related to the new financing and restructuring.

(c) Other assets increased by $6.8 million due to fees associated wit
facility. We recorded these fees as deferred debt costs and will a
of the credit facility using the effective interest method.

(d) Accrued expenses decreased by $8.2 million. We paid $6.3 milli
fees related to the restructuring as well as $1.9 million of accrue

(e) Current portion of long-term debt decreased $354.2 million. We
payment on our bank debt and reclassified $261.2 million to lon

(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 reclassed $261.2 m
from current portion of long-term debt and recorded a $4.0 milli
credit facility.

(h) Fixed assets have been revalued to reflect the reorganization val
market value determined by reliance on independent valuations a
methods.

(i) Intangible assets of $130.0 million have been recorded consistin
of $127.3 million and lease origination value of $2.7 million in a
141.

(j) Other assets were reduced by $15.3 million as we eliminated $4.
assets and reduced the straight-line deferred lease receivable bal

(k) Accrued expenses decreased by $2.2 million. We eliminated our
lease style="background-color: #ffffff;">2,604

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)

eased by $0.1 million. We reduced our deferred tax
nated our $0.5 million straight-line deferred lease liability
million asset retirement obligation.

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

(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)	% of Revenue From Investment Grade or Wireless Telephony Tenants(1)	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	363
es:						
ral and e	576	95	Towers of Texas Inc.	December 2004 and January 2005	48	$25.5
vers, Inc.	December 2004	95	27.0	93.3	Arkansas, Missouri and Oklahoma	

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