

GLOBAL SIGNAL INC

Form S-11/A

May 26, 2004

As filed with the Securities and Exchange Commission on May 26, 2004

Registration No. 333-112839

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

Form S-11

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

Global Signal Inc.

(Exact name of registrant as specified in its governing instruments)

301 North Cattlemen Road

Suite 300

Sarasota, Florida 34232

(941) 364-8886

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Stephen W. Crawford

Secretary

Global Signal Inc.

Suite 300

301 North Cattlemen Road

Sarasota, Florida 34232

(941) 364-8886

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Phyllis G. Korff

Skadden, Arps, Slate, Meagher & Flom LLP

4 Times Square

New York, New York 10036-6522

(212) 735-3000

Richard D. Truesdell, Jr.
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

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.

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 permitted.

SUBJECT TO COMPLETION, DATED MAY 26, 2004

PROSPECTUS

7,000,000 Shares

Global Signal Inc.

Common Stock

This is the initial public offering of Global Signal Inc. No public market currently exists for our common stock. As of the completion of this offering, new investors will own 14.3% of our common stock, assuming no exercise of outstanding options or warrants since May 17, 2004 and the underwriters do not exercise their overallotment option.

We currently anticipate the initial public offering price of our common stock to be between \$16.00 and \$18.00 per share. Our common stock has been approved for listing on the New York Stock Exchange under the symbol "GSL."

We are organized and conduct our operations to qualify as a real estate investment trust (a REIT) for federal income tax purposes. To assist us in complying with certain federal income tax requirements applicable to REITs, our amended and restated certificate of incorporation and amended and restated bylaws contain certain restrictions relating to the ownership and transfer of our common stock, including a 9.9% ownership limit.

You should read the section entitled "Risk Factors" beginning on page 16 before buying our common stock. Investing in our common stock involves risks, including:

- We recently emerged from a Chapter 11 bankruptcy reorganization, have a history of losses and may not be able to maintain profitability.
- 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.
- A decrease in the demand for our wireless communications sites and our ability to attract additional tenants could negatively impact our ability to maintain profitability.
- We have significant customer concentration and the loss of one or more of our major customers or a reduction in their utilization of our site space could result in a material reduction in our revenues.
- We may encounter difficulties in acquiring towers at attractive prices or integrating acquisitions with our operations, which could limit our revenue growth and our ability to maintain profitability.
- Our failure to qualify as a REIT would result in higher taxes and reduce cash available for dividends.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us
Per Share	\$	\$	\$
Total	\$	\$	\$

We have granted the underwriters a 30-day option to purchase up to 1,050,000 additional shares to cover any overallotments.

Delivery of the shares will be made on or about _____, 2004.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Morgan Stanley	Banc of America Securities LLC	Lehman Brothers
Raymond James		

The date of this prospectus is _____, 2004

TABLE OF CONTENTS

PROSPECTUS SUMMARY	1
RISK FACTORS	16
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	32
USE OF PROCEEDS	33
DISTRIBUTION POLICY	33
CAPITALIZATION	35
DILUTION	36
SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION	38
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	41
INDUSTRY	71

BUSINESS	74
MANAGEMENT	92
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	103
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	109
DESCRIPTION OF CAPITAL STOCK	111
DESCRIPTION OF CERTAIN INDEBTEDNESS	118
SHARES ELIGIBLE FOR FUTURE SALE	121
FEDERAL INCOME TAX CONSIDERATIONS	124
ERISA CONSIDERATIONS	139
UNDERWRITING	142
LEGAL MATTERS	146
EXPERTS	146
WHERE YOU CAN FIND MORE INFORMATION	146
INDEX TO FINANCIAL STATEMENTS	F-1

You may rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized anyone to provide you with different or additional information. This prospectus is not an offer to sell nor is it seeking an offer to buy common stock in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock.

ii

PROSPECTUS SUMMARY

This summary highlights information more fully described elsewhere in this prospectus. This summary is not complete and does not contain all the information you should consider before buying shares of our common stock. You should read this entire prospectus carefully, including "Risk Factors" and our consolidated historical financial statements and the related notes included in this prospectus, before deciding to invest in shares of our common stock. For convenience in this prospectus unless indicated otherwise, "Global Signal," "the company," "we," "us" and "our" refer to Global Signal Inc. and its consolidated subsidiaries, including Global Signal Operating Partnership, L.P., and "Global Signal Inc." refers to Global Signal Inc., formerly Pinnacle Holdings Inc., prior to its name change effective December 18, 2003. "Global Signal OP" refers to Global Signal Operating Partnership, L.P. "Fortress" refers to Fortress Investment Holdings LLC and certain of its affiliates and "Greenhill" refers to Greenhill Capital Partners, L.P. and affiliated investment funds. All per share information and information on our outstanding common stock, options and warrants has been adjusted to give effect to a two-for-one stock split we effected on February 11, 2004.

Global Signal Inc.

Global Signal, formerly known as Pinnacle Holdings Inc., is one of the largest wireless communications tower owners in the United States, based on the number of towers owned. For the year ended December 31, 2003 and the three months ended March 31, 2004, all of our revenues came from our ownership, leasing and management of wireless communications towers and other communications sites. Our sites are primarily located in the southeastern and mid-Atlantic regions of the country. As of March 31, 2004, we owned 2,199 towers and 251 other communications sites. We own in fee or have long-term easements on the land under 789 of these towers and we lease the land under 1,410 of these towers. In addition, as of March 31, 2004, we managed 781 towers, rooftops and other communications sites where we had the right to market space or where we had a sublease arrangement with the site owner. As of

March 31, 2004, we owned or managed a total of 3,231 communications sites. As of May 12, 2004, we owned substantially all of our assets and conducted our operations through an operating partnership, Global Signal Operating Partnership, L.P., or "Global Signal OP." Global Signal Inc. is the special limited partner and our wholly-owned subsidiary, Global Signal GP LLC, is the managing general partner of Global Signal OP. Global Signal Inc. holds 99% of the partnership interests and Global Signal GP LLC holds 1% of the partnership interests in Global Signal OP.

Our customers include a wide variety of wireless service providers, government agencies, operators of private networks and broadcasters. These customers operate networks from our communications sites and provide wireless telephony, mobile radio, paging, broadcast and data services. As of March 31, 2004, we had an aggregate of more than 12,000 leases on our communications sites with over 2,600 customers. The average number of tenants on our owned towers, as of March 31, 2004, was 4.1, which included an average of 1.3 wireless telephony tenants.

For the year ended December 31, 2003, and the three months ended March 31, 2004, we generated:

	Year ended December 31, 2003	Three months ended March 31, 2004
	(\$ in millions)	
Revenues from continuing operations	\$ 169.2	\$ 43.6
Net income (loss)	\$ 18.0	\$ (5.5)
EBITDA, as defined below	\$ 82.0	\$ 12.2
Funds from operations, or FFO, as defined below	\$ 60.7	\$ 5.5

Our operating results for the three months ended March 31, 2004 include a loss on early extinguishment of debt of \$8.4 million associated with the repayment of our old credit facility on February 5, 2004 and an expense of \$2.6 million for non-cash stock-based compensation.

We are organized as a real estate investment trust, or REIT, and as such are required to distribute at least 90% of our taxable income to our stockholders. On February 5, 2004 we paid a one-time special distribution of \$142.2 million to all of our stockholders, which represented a return of capital. In addition, on February 5, 2004, we paid our first ordinary dividend of \$0.3125 per share of our common stock, or an aggregate of \$12.8 million, for the three months ended December 31, 2003, and on April 22, 2004 we paid our second ordinary dividend of \$0.3125 per share

1

of our common stock, or an aggregate of \$13.1 million, of which \$11.3 million represented a return of capital, for the three months ended March 31, 2004. In addition, our board of directors has declared a dividend of \$0.2095 per share of common stock to stockholders of record as of May 26, 2004 for the period commencing on April 1, 2004 and ending on May 31, 2004. We are paying this dividend so that holders of our common stock prior to the offering will receive a distribution for the period prior to the offering. The portion of this dividend which exceeds our accumulated earnings as of May 31, 2004 will represent a return of capital. Purchasers of shares of our common stock in this offering will not be entitled to this dividend. Subsequent to this offering, we intend to pay a dividend for the one month ended June 30, 2004 and thereafter we intend to make regular quarterly distributions to the holders of our common stock.

Our ratios of total debt at March 31, 2004 to EBITDA and to net income for the twelve months ended March 31, 2004 were 6.1 times and 55.5 times, respectively, and 93% of our total debt had a weighted average fixed interest rate of approximately 5% as of March 31, 2004.

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 customer demand for high network quality and ubiquitous coverage; and
 - o new wireless technologies, devices and applications.
- **High Operating Leverage.** Operating costs 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.
- **Low Maintenance Capital Expenditures.** Generally, wireless towers require minimal annual capital 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 renew their leases.

Growth Strategy

Our objective is to increase our Funds From Operations, or FFO. 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.
- **Expand our Communications Sites Network Through Acquisition and Development of Towers.** We plan to purchase or develop towers in areas 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 and new build 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.
- **Outsource New Tower Development and Construction.** We outsource all aspects of new tower development including radio frequency 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.
- **Build on Relationships with Wireless Telephony Carriers.** We maintain a consistent and focused dialogue with our wireless telephony carriers in order to fully meet their network needs.

2

-
- **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 low cost fixed rate debt obtained through the issuance of mortgage-backed securities combined with a portion of the proceeds from this offering. To

accomplish this, we plan to first use proceeds from this offering and then we plan to finance newly acquired and developed wireless communications sites through borrowings on our credit facility, which we expect will be repaid with proceeds from the issuance of mortgage-backed securities.

Our Strengths

- **High Quality Communications Sites with Diversified and Stable Cash Flows.** As of March 31, 2004, we had 3,231 wireless communications sites, including 2,199 owned towers, of which 92% are guyed or lattice towers. Our diversified customer base, which includes over 2,600 customers with over 12,000 leases, has historically provided us with a stable cash flow stream.
- **Efficient and Well Organized Operating Platform.** We have recently spent a significant amount of time and capital on improving our operations. We have also reoriented our organizational structure, sales force, business processes and systems towards improving customer service and adding new tenants.
- **Experienced Management Team.** We have installed a new experienced management team that is highly focused on growing our business and is incentivized with options to acquire approximately 7.0% of our common stock on a fully diluted basis, as of May 17, 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.

Recent Developments

Mortgage Loan. On February 5, 2004, our principal operating subsidiary, Pinnacle Towers LLC, then known as Pinnacle Towers Inc., and 13 of its direct and indirect subsidiaries borrowed \$418.0 million under a mortgage loan made payable to a newly formed trust. The trust simultaneously issued \$418.0 million in commercial mortgage pass-through certificates with terms identical to the mortgage loan. The proceeds from the 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 May 17, 2004, the weighted average fixed interest rate of the various tranches of the mortgage loan was approximately 5.0%. The mortgage loan is secured by mortgages, deeds of trust and deeds to secure debt creating first priority mortgage liens on assets which generated substantially all of our gross margins for the year ended December 31, 2003 and the three months ended March 31, 2004.

Credit Facility. On February 6, 2004, we amended our \$100.0 million credit facility with Morgan Stanley to, among other things, increase the commitment thereunder to \$200.0 million and reduce the applicable margin for federal funds rate loans and LIBOR loans to 2.1175% and 2.50%, respectively. On May 12, 2004, we further amended the credit facility in connection with the implementation of the UPREIT operating partnership structure to, among other things, substitute Global Signal OP for Global Signal Inc. as a guarantor and a pledgor under the credit facility.

Acquisition of TowerCom Assets. On February 6, 2004, we acquired all of the outstanding common stock of Pinnacle Towers Acquisition Holdings LLC ("Pinnacle Acquisition"), then known as Pinnacle Towers Acquisition Inc. through the exercise of an option granted to us by its stockholders, which constituted the majority of our stockholders. On December 4, 2003, Pinnacle Acquisition completed the acquisition of 67 towers from TowerCom Enterprises, L.L.C. and its affiliates for approximately \$26.3 million plus fees and expenses. The TowerCom acquisition was financed with proceeds from our credit facility. The towers are located primarily in Florida, Georgia, Alabama and Mississippi and are generally less than four years old. At the time of the TowerCom acquisition, these sites accommodated 27 customers subject to a total of 147 tenant leases, including 132 telephony tenant leases with wireless carriers. We believe that TowerCom was an attractive acquisition due to the high percentage of existing wireless telephony customers and the quality and the location of their recently constructed towers. Due to the 99% common control of Global Signal and Pinnacle Acquisition, we have accounted for the acquisition of Pinnacle Acquisition in a manner similar to a pooling of interests.

Dividends. On February 5, 2004, we paid our first ordinary dividend of \$0.3125 per share of our common stock for the three months ended December 31, 2003, or an aggregate of \$12.8 million, and on April 22, 2004 we paid our second ordinary dividend of \$0.3125 per share of our common stock, or an aggregate of \$13.1 million, of which \$11.3 million represented a return of capital, for the three months ended March 31, 2004. In addition, on February 5, 2004, we paid a \$142.2 million one-time special distribution to our stockholders, which represented a return of capital. Furthermore, our board of directors has declared a dividend of \$0.2095 per share of common stock to stockholders of record as of May 26, 2004 for the period commencing on April 1, 2004 and ending on May 31, 2004. We are paying this dividend so that holders of our common stock prior to the offering will receive a distribution for the period prior to the offering. The portion of this dividend which exceeds our accumulated earnings as of May 31, 2004 will represent a return of capital. Purchasers of shares of our common stock in this offering will not be entitled to this dividend.

Interest Rate Swap Agreements. We expect to acquire and develop additional communications tower sites during 2004 and expect to finance such acquisitions in a manner similar to the mortgage loan transaction we completed on February 5, 2004. On March 26, 2004, in anticipation of such acquisitions and financing, we entered into four interest rate swaps with Morgan Stanley as counter party to hedge the variability of future interest rates on our anticipated mortgage financing. Under the interest rate swaps, we agreed to pay the counter party 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 three-month LIBOR on the same notional amount for the same period. The swaps terminate on the earlier of the issuance of any new mortgage loan or January 1, 2005 at which time the swaps will be settled for cash based on the fair market value.

Tower Ventures Acquisition. On April 22, 2004, Pinnacle Towers Acquisition LLC, our wholly-owned subsidiary, executed an agreement to acquire all of the membership interests in Tower Ventures III LLC ("Tower Ventures") from five non-affiliated sellers for \$52.0 million in cash, plus \$1 million we expect to incur in estimated fees and expenses. Tower Ventures owns 97 wireless communications towers located primarily in Tennessee, Mississippi, Missouri and Arkansas. The sites are generally less than four years old and generate substantially all of their revenue from approximately 240 tenant leases with wireless telephony tenants. Approximately 73% of Tower Ventures' revenue for the three months ended March 31, 2004 was generated from the six largest wireless telephony service providers in the United States. We believe that Tower Ventures is an attractive acquisition due to the high percentage of revenue from existing wireless telephony customers and the quality and location of these recently constructed towers. While we cannot assure you that this acquisition will be consummated, we believe that it is probable, as the closing conditions are customary for a real estate transaction of this type. We expect to finance this acquisition with a portion of the net proceeds from this offering provided that this offering is completed prior to the closing of the acquisition. If the offering is not completed prior to the closing of the acquisition, we expect to finance this acquisition with short-term borrowings under our credit facility which we then expect to repay upon consummation of this offering.

Other Tower Acquisitions. During April 2004, we made other acquisitions of a total of five wireless communications towers located in Georgia from Skylink Properties, L.L.C. and Hightower Communication Services, LLC, two non-affiliated parties, for approximately \$3.4 million including fees and expenses. These towers generate all of their revenue from 19 wireless telephony tenant leases. We believe these towers represent attractive acquisitions because of their existing wireless telephony tenants and the location of the towers in high demand areas with significant restrictions on zoning. We financed these acquisitions with borrowings under our credit facility which we intend to repay with proceeds from this offering.

Pinnacle Towers Limited. We are currently finalizing an agreement to purchase the remaining 9% of the capital stock of Pinnacle Towers Limited from Alexander George Jurcazak as trustee of the Lisa Marie Rowland Trust for approximately \$1.2 million.

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

4

leveraged capital structure, (2) the non-strategic acquisition of 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 communications sites. In addition, to a lesser extent, we were unable to meet our financial obligations due to the reduced amount of capital spending by wireless carriers on their networks in 2001 and 2002. On May 21, 2002, Global Signal (then known as Pinnacle Holdings Inc.) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York.

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 (senior notes) they held making their total investment in the company 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. In December 2002, Fortress purchased 1,440,000 shares of common stock from Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P., and Whitecrest Partners, L.P., affiliates of Abrams Capital, LLC, our third largest stockholder, for an aggregate purchase price of approximately \$7.3 million. On February 5, 2004, Fortress and Greenhill's total investment was reduced by \$113.8 million to \$51.3 million (including the amount invested in connection with the purchase of shares from Abrams Capital, LLC and certain of its affiliates) as a result of our special distribution which represented a return of capital. In April 2004, Fortress exercised its warrant for 418,050 shares at an aggregate exercise price of \$3.6 million and Fortress and Greenhill received a return of capital related to their portion of our April dividend to the extent it exceeded accumulated earnings to date in the amount of \$9.0 million, thereby decreasing the Fortress and Greenhill investment to \$45.9 million.

Under the plan, the company 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 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 this offering to finance our new tower acquisitions and development growth, (2) our strategy to buy core tower assets with in-place telephony or government tenants where we believe there is a high likelihood of multiple lease renewals, (3) our stringent underwriting process which evaluates each asset individually and prices each asset based on its current yield and 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. As an illustration of our focus on maintaining and operating our assets, since our emergence from bankruptcy, we have invested approximately \$2.2 million to inventory and digitally catalog all of the important documents related to owning and operating our assets, including performing environmental assessments on all of our U.S. sites and performing title reviews on over 800 of our most profitable sites.

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.

5

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

6

Risks Relating to Our Business

- We recently emerged from a Chapter 11 bankruptcy reorganization, have a history of losses and may not be able to maintain profitability.
- 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.
- A decrease in the demand for our wireless communications sites and our ability to attract additional tenants could negatively impact our ability to maintain profitability.
- Our revenues may be adversely affected by the economies, real estate markets and wireless communication industry in the regions where our sites are located.
- Consolidation in the wireless industry 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 site space could result in a material reduction in our revenues.

- Our revenues depend on the renewal of our tenant leases by our customers on favorable terms.
- We are currently implementing 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.
- Equipment 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.
- 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, which could harm our ability to add additional site space and new customers which could result in our inability to execute our growth strategy and limit our revenue growth.
- We may encounter difficulties in acquiring towers at attractive prices or integrating acquisitions with our operations, which could limit our revenue growth and our ability to maintain profitability.
- 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.
- Our failure to comply 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 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.
- Site management agreements may be terminated prior to expiration, which may adversely affect our revenues.

7

-
- 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 are demonstrated, or perceived, to cause negative health effects, our business and revenues may be harmed.
 - Repayment of the principal of our outstanding indebtedness may require additional financing that we cannot assure you will be available to us.
 - The terms of our credit facility and mortgage loan may restrict our current and future operations, which would 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 recently enacted tax legislation.
- REIT distribution requirements could adversely affect our liquidity.

- The stock ownership limits imposed by the Internal Revenue Code 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

- Investors in this offering will suffer immediate and substantial dilution.
- The issuance of additional stock in connection with acquisitions or otherwise will dilute all other stockholdings.
- We have not established a minimum dividend payment level and there are no assurances of our ability to pay dividends in the future.
- Your ability to influence corporate matters may be limited because a small number of stockholders beneficially own a substantial amount of our common stock.
- An increase in interest rates would result in an increase in our interest expense which could adversely affect our results of operations and financial condition.
- Our fiduciary obligations to Global Signal OP may conflict with the interests of our stockholders.

8

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	7,000,000 shares
Common stock to be outstanding after the offering	48,854,155 shares
NYSE symbol	"GSL"

The number of shares of common stock that will be outstanding after the offering is based on the number of shares outstanding as of May 17, 2004 and excludes options and warrants exercisable to purchase 4,821,984 shares of common stock outstanding as of that date, options exercisable to purchase 700,000 shares of common stock (assuming the underwriters do not exercise their overallotment option) granted to FRIT PINN LLC and Greenhill, or affiliates of such entities in connection with this offering and 20,000 shares of common stock, in the aggregate, to be granted to Messrs. Robert H. Gidel, Douglas L. Jacobs, Howard Rubin and Mark Whiting on the first day following the consummation of this offering pursuant to our board compensation package.

Use of Proceeds

We estimate that our net cash proceeds from the sale of the shares of common stock will be approximately \$108.0 million, or approximately \$121.5 million if the underwriters exercise their overallotment option in full, based upon an assumed public offering price per share of \$17.00, after deducting assumed underwriting discounts, commissions and estimated offering expenses.

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

- approximately \$33.2 million to repay the debt outstanding under our credit facility with Morgan Stanley,

including debt incurred to finance our recent acquisition of additional wireless communications towers located in Georgia, which matures October 1, 2005 and bears interest, at our option, at either the federal funds rate plus 2.1175% per annum or LIBOR plus 2.5% per annum. On May 17, 2004, the interest rate on our credit facility was 3.6%. We use borrowings under the credit facility primarily to fund acquisitions, from time to time, of additional wireless communications towers and other communications sites;

- approximately \$53.0 million to finance the acquisition of Tower Ventures. We expect to finance this acquisition with a portion of the net proceeds from this offering. If the offering is not completed prior to the closing of the acquisition, we expect to finance this acquisition with short-term borrowings under our credit facility which we then expect to repay upon consummation of this offering;
- approximately \$2.1 million to finance the acquisition of the land we currently lease underneath 19 of our sites in a series of transactions for which asset purchase agreements have been signed;
- approximately \$3.8 million to pay for the cost of licensing and implementing PeopleSoft, Cognos and manageStar software systems;
- approximately \$1.2 million to finance our acquisition of the 9% minority interest of the capital stock of Pinnacle Towers Limited, our UK subsidiary, and, upon consummation of that acquisition, approximately \$1.0 million (based on an exchange rate of 1 GBP = 1.7692 USD on May 17, 2004) to repay outstanding borrowings under our UK term loan with Bank of Scotland which matures June 30, 2006, and bears interest at 2% above a base rate. On May 17, 2004, the interest rate on that term loan was 5.8%. The proceeds of the term loan were used to fund the communications sites owned by Pinnacle Towers Limited; and
- approximately \$13.7 million to finance the acquisition of 41 communications sites located in Alabama, Connecticut, Florida, Georgia, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, and Texas for which we have currently signed non-binding letters of intent. We are seeking to complete our due diligence and execute firm asset purchase agreements for these sites.

9

A tabular presentation of our estimated use of proceeds follows:

	Dollar Amount (in thousands)	Percentage of Gross Proceeds
Gross offering proceeds	\$ 119,000	100.0%
Underwriting discount	8,330	7.0%
Other expenses of offering (1)	4,233	3.6%
Net offering proceeds	\$ 106,437	89.4%

(1)Includes \$1.5 million of non-cash offering costs representing the Black-Scholes valuation of the stock-based compensation options granted to FRIT PINN LLC and Greenhill, or affiliates of such entities, to purchase 700,000 shares of common stock (assuming the underwriters do not exercise their overallotment option), for purposes of compensating Fortress and Greenhill for their successful efforts in raising capital in this offering.

Dollar Amount	Percentage of Net Proceeds
------------------	----------------------------------

(in thousands)

Estimated amount of net proceeds used to repay outstanding borrowings under our credit facility	\$ 33,154	31.1%
Estimated amount to finance the acquisition of Tower Ventures	53,000	49.8%
Estimated amount to finance the acquisition of the land we currently lease underneath 19 of our sites	2,115	2.0%
Estimated amount to pay for the cost of licensing and implementing PeopleSoft, Cognos and manageStar software systems	3,800	3.6%
Estimated amount to finance our acquisition of the capital stock of Pinnacle Towers Limited	1,200	1.1%
Estimated amount to repay outstanding borrowings under our UK term loan	1,015	0.9%
Estimated amount to finance the acquisition of communications sites for which we currently have signed letters of intent	13,686	12.9%
Net cash offering proceeds	107,970	101.4%
Non cash offering expenses	(1,533)	(1.4)%
Net offering proceeds	\$ 106,437	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 qualify 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 of 1986, as amended, 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.

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."

In connection with this offering and for the purpose of compensating FRIT PINN LLC, an affiliate of Fortress, and Greenhill, or affiliates of such entities, for their successful efforts in raising capital in this offering, FRIT PINN LLC and Greenhill, or affiliates of such entities, will receive the following additional benefits.

10

Transaction	Affiliated Party	Consideration(1)
Grant of options to purchase 700,000 shares of common stock	FRIT PINN LLC	\$ 1,226,400(2)
	Greenhill	306,600(2)

(1) All options to purchase shares of common stock are valued using the Black-Scholes method assuming the common stock is valued at \$17.00 per share, representing the mid-point of the range of prices listed on the cover page of this prospectus.

(2)

Represents the fair value of the options to purchase 700,000 shares of common stock (assuming the underwriters do not exercise their overallotment option) granted to FRIT PINN LLC and Greenhill, or affiliates of such entities, in consideration for their successful efforts in raising capital in connection with this offering, using the Black-Scholes method of valuation.

Distribution Policy

On February 5, 2004, we paid our first ordinary dividend of \$0.3125 per share of our common stock, or an aggregate of \$12.8 million for the three months ended December 31, 2003, and on April 22, 2004 we paid our second ordinary dividend of \$0.3125 per share of our common stock, or an aggregate of \$13.1 million, of which \$11.3 million represented a return of capital, for the three months ended March 31, 2004. On May 11, 2004, we declared an ordinary dividend of \$0.2095 per share of our common stock for the period of April 1, 2004 through May 31, 2004 to be paid on June 14, 2004 to all stockholders of record as of May 26, 2004. We are paying this dividend so that holders of our common stock prior to the offering will receive a distribution for the period prior to the offering. The portion of this dividend which exceeds our accumulated earnings as of May 31, 2004 will represent a return of capital. Purchasers of shares of our common stock in this offering will not be entitled to this dividend. We intend to pay a dividend for the one month ended June 30, 2004 and thereafter to continue to make regular quarterly distributions to the holders of our common stock. Distributions, including distribution of capital, assets or dividends, will be made at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, legal requirements and other factors as our board of directors deems relevant.

We generally need to distribute at least 90% of our taxable income each year (subject to certain adjustments) to qualify as a REIT under the Internal Revenue Code. Differences between the recognition of taxable income and the actual receipt of cash could require us to sell assets or borrow funds on a short-term or long-term basis to meet the 90% distribution requirement. Depending on our results of operations in 2004, we may have already satisfied that requirement for 2004 through payment of our \$142.2 million special distribution and our April 22, 2004 ordinary dividend.

11

Summary Consolidated Financial Information

The following table sets forth summary historical consolidated financial and other data. The balance sheet data as of December 31, 2001, 2002, and 2003 and the statements of operations data for the years ended December 31, 2001, and 2003 and the ten months ended October 31, 2002 and the two months ended December 31, 2002 are derived from our audited consolidated financial statements. The balance sheet data as of October 31, 2002 and March 31, 2003 and 2004 and the statements of operations for the three months ended March 31, 2003 and 2004, are derived from our unaudited condensed consolidated interim financial statements. The pro forma as adjusted statement of operations data reflects the February 5, 2004 issuance of the \$418.0 million mortgage loan and the application of a portion of the mortgage loan net proceeds to repay the \$234.4 million of then outstanding borrowings under our old credit facility, this offering of 7,000,000 shares of common stock at an assumed price of \$17.00 per share, the mid-point of the range shown on the cover of this prospectus, and the application of a portion of the net proceeds of this offering to repay the outstanding borrowings under our credit facility and to fund the Tower Ventures acquisition, as more fully described in the pro forma financial statements and the related notes included elsewhere in this prospectus, as if they had occurred on January 1, 2003 and 2004 for the year ended December 31, 2003 and the three months ended March 31, 2004, respectively. The pro forma as adjusted balance sheet data reflect this offering and the application of a portion of the net proceeds of this offering to repay the outstanding borrowings under our credit facility and to fund the Tower Ventures acquisition as if they had occurred on March 31, 2004.

Edgar Filing: GLOBAL SIGNAL INC - Form S-11/A

State franchise, excise and minimum taxes	1,877	1,671	331	848	848	209	172	172
Depreciation, amortization and accretion (2)	119,337	74,175	7,512	44,496	48,035	11,176	11,838	12,723
Non-cash stock-based compensation expense for services	—	—	—	1,479	1,479	—	2,604	2,604
Impairment loss on assets held for sale	46,592	1,018	—	—	—	—	—	—
Impairment loss on assets held for use	246,780	4,541	—	—	—	—	—	—
Reorganization costs	—	59,124	—	—	—	—	—	—
Unsuccessful debt restructuring costs	1,702	—	—	—	—	—	—	—
Total operating expenses	464,186	168,025	12,661	73,749	77,288	17,901	21,173	22,058
Operating income (loss)	(353,425)	(75,439)	6,263	39,141	38,872	10,118	8,916	8,909
Gain (loss) on extinguishment of debt	—	404,838	—	—	(8,449)	—	(8,449)	(8,449)
Interest expense, net.	(88,731)	(45,720)	(3,989)	(20,352)	(24,789)	(5,717)	(6,090)	(6,225)
Other income (expense)	113	533	(136)	(16)	(16)	(5)	(9)	(9)
Income tax benefit (expense)	6,630	5,195	(19)	665	665	76	(11)	(11)
Income (loss) from continuing operations	(435,413)	289,407	2,119	19,438	\$ 6,283	4,472	(5,643)	\$ (5,785)
Income (loss) from discontinued operations (1)	(7,145)	(33,157)	(66)	(1,100)		17	(99)	
Income (loss) before gain (loss) on sale of properties	(442,558)	256,250	2,053	18,338		4,489	(5,742)	
Gain (loss) on sale of properties	(5,644)	(78)	(2)	(302)		(58)	205	
Net income (loss)	\$ (448,202)	\$ 256,172	\$ 2,051	\$ 18,036		\$ 4,431	\$ (5,537)	
Net income (loss) per share (basic) (3)	\$ (9.25)	\$ 5.27	\$ 0.05	\$ 0.44	\$ 0.11	\$		