

Globalstar, Inc.
Form 10-Q
May 11, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2009

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-33117

GLOBALSTAR, INC.

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(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

41-2116508

(I.R.S. Employer Identification No.)

461 South Milpitas Blvd.

Milpitas, California 95035

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(Address of principal executive offices and zip code)

(408) 933-4000

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Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date. As of May 5, 2009, 130,544,872 shares of Common Stock, par value \$0.0001 per share, were outstanding.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****GLOBALSTAR, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except per share data)****(Unaudited)**

	Three Months Ended	
	March 31, 2009	March 31, 2008
Revenue:		
Service revenue	\$ 11,131	\$ 16,010
Subscriber equipment sales	4,032	6,124
Total revenue	15,163	22,134
Operating expenses:		
Cost of services (exclusive of depreciation and amortization shown separately below)	10,408	7,475
Cost of subscriber equipment sales	2,995	5,045
Marketing, general, and administrative	13,977	15,748
Depreciation and amortization	5,424	5,418
Total operating expenses	32,804	33,686
Operating loss	(17,641)	(11,552)
Other income (expense):		
Interest income	128	1,368
Interest expense	(240)	(997)
Interest rate derivative loss		(3,539)
Other	(3,975)	8,251
Total other income (expense)	(4,087)	5,083
Loss before income taxes	(21,728)	(6,469)
Income tax expense	30	166
Net loss	\$ (21,758)	\$ (6,635)
Loss per common share:		
Basic	\$ (0.17)	\$ (0.08)
Diluted	(0.17)	(0.08)
Weighted-average shares outstanding:		
Basic	128,608	82,448
Diluted	128,608	82,448

See accompanying notes to unaudited interim consolidated financial statements.

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	March 31, 2009	December 31, 2008 As Adjusted Note 1
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,043	\$ 12,357
Accounts receivable, net of allowance of \$5,566 (2009) and \$5,205 (2008)	6,287	10,075
Inventory	53,323	55,105
Advances for inventory	9,182	9,314
Prepaid expenses and other current assets	5,406	5,565
Total current assets	77,241	92,416
Property and equipment, net	735,178	642,264
Other assets:		
Restricted cash	15,667	57,884
Other assets, net	16,745	15,670
Total assets	\$ 844,831	\$ 808,234
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 57,602	\$ 28,370
Accrued expenses	35,210	29,998
Payables to		