



**300 Holiday Square Blvd.**

**Covington, Louisiana 70433**

(Address of principal executive offices and zip code)

Registrant's Telephone Number, Including Area Code: **(985) 335-1500**

Indicate by check mark if the Registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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

As of November 1, 2013, 466,486,563 shares of voting common stock and 283,047,118 shares of nonvoting common stock were outstanding. Unless the context otherwise requires, references to common stock in this Report mean Registrant's voting common stock.

**GLOBALSTAR, INC.**

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**GLOBALSTAR, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except per share data)****(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	30,	30,	30,
	2013	2012	2013	2012
Revenue:				
Service revenues	\$17,056	\$ 15,368	\$47,854	\$ 42,146
Subscriber equipment sales	5,493	5,169	13,863	15,110
Total revenue	22,549	20,537	61,717	57,256
Operating expenses:				
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	8,181	7,413	22,913	22,218
Cost of subscriber equipment sales	4,148	4,040	10,675	10,465
Cost of subscriber equipment sales - reduction in the value of inventory	-	660	-	957
Marketing, general, and administrative	9,079	7,425	22,579	21,062
Reduction in the value of long-lived assets	-	-	-	7,218
Contract termination charge	-	-	-	22,048
Depreciation, amortization, and accretion	23,715	18,654	66,114	49,277
Total operating expenses	45,123	38,192	122,281	133,245
Loss from operations	(22,574 )	(17,655 )	(60,564 )	(75,989 )
Other income (expense):				
Loss on extinguishment of debt	(63,569 )	-	(110,809 )	-
Loss on equity issuance	(2,733 )	-	(16,701 )	-
Interest income and expense, net of amounts capitalized	(16,901 )	(6,565 )	(39,869 )	(13,396 )
Derivative gain (loss)	(97,534 )	(16,473 )	(126,911 )	(2,562 )
Other	(1,540 )	(439 )	(1,125 )	(938 )
Total other income (expense)	(182,277 )	(23,477 )	(295,415 )	(16,896 )
Loss before income taxes	(204,851 )	(41,132 )	(355,979 )	(92,885 )
Income tax expense	118	56	341	361
Net loss	\$(204,969 )	\$ (41,188 )	\$(356,320 )	\$ (93,246 )
Loss per common share:				
Basic	\$(0.30 )	\$(0.10 )	\$(0.64 )	\$(0.25 )
Diluted	(0.30 )	(0.10 )	(0.64 )	(0.25 )
Weighted-average shares outstanding:				
Basic	673,546	392,344	559,515	376,518

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Diluted	673,546	392,344	559,515	376,518
Comprehensive loss	\$(204,417)	\$(40,069)	\$(356,417)	\$(91,578)

See accompanying notes to unaudited interim condensed consolidated financial statements.

**GLOBALSTAR, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(In thousands, except par value and share data)**

	(Unaudited) September 30, 2013	(Audited) December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,643	\$ 11,792
Restricted cash	-	46,777
Accounts receivable, net of allowance of \$6,567 and \$6,667, respectively	16,444	13,944
Inventory	37,482	42,181
Deferred financing costs	-	34,622
Prepaid expenses and other current assets	7,583	5,233
Total current assets	68,152	154,549
Property and equipment, net	1,187,288	1,215,156
Restricted cash	37,940	-
Deferred financing costs	79,861	16,883
Advances for inventory	9,158	9,158
Intangible and other assets, net	7,375	8,029
Total assets	\$ 1,389,774	\$ 1,403,775
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 655,874
Accounts payable, including contractor payables of \$17,801 and \$27,747, respectively	26,444	35,685
Accrued contract termination charge	23,699	23,166
Accrued expenses	32,828	28,164
Payables to affiliates	303	230
Derivative liabilities	41,539	-
Deferred revenue	17,822	18,041
Total current liabilities	142,635	761,160
Long-term debt, less current portion	675,690	95,155
Employee benefit obligations	7,117	7,221
Derivative liabilities	254,207	25,175
Deferred revenue	7,317	4,640
Debt restructuring fees	20,795	-
Other non-current liabilities	15,411	15,880
Total non-current liabilities	980,537	148,071

Commitments and contingent liabilities (Notes 8 and 9)

Stockholders' equity:

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Preferred Stock of \$0.0001 par value; 100,000,000 shares authorized and none issued and outstanding at September 30, 2013 and December 31, 2012:			
Series A Preferred Convertible Stock of \$0.0001 par value; one share authorized and none issued and outstanding at September 30, 2013 and December 31, 2012	-	-	
Voting Common Stock of \$0.0001 par value; 1,200,000,000 and 865,000,000 shares authorized; 448,117,231 and 354,085,753 shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively	45	35	
Nonvoting Common Stock of \$0.0001 par value; 400,000,000 and 135,000,000 shares authorized; 256,875,000 and 135,000,000 shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively	26	14	
Additional paid-in capital	976,386	864,175	
Future equity issuance of common stock to related party	16,242	-	
Accumulated other comprehensive loss	(1,855	) (1,758	)
Retained deficit	(724,242	) (367,922	)
Total stockholders' equity	266,602	494,544	
Total liabilities and stockholders' equity	\$ 1,389,774	\$ 1,403,775	

See accompanying notes to unaudited interim condensed consolidated financial statements.



**GLOBALSTAR, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands)****(Unaudited)**

	Nine Months Ended	
	September 30, 2011	September 30, 2012
Cash flows provided by (used in) operating activities:		
Net loss	\$(356,320)	\$ (93,246 )
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation, amortization, and accretion	66,114	49,277
Change in fair value of derivative assets and liabilities	126,067	2,562
Stock-based compensation expense	1,850	585
Amortization of deferred financing costs	6,256	2,498
Noncash interest and accretion expense	22,341	9,415
Reduction in the value of long-lived assets and inventory	-	8,176
Provision for bad debts	1,359	695
Contract termination charge	-	22,048
Loss on extinguishment of debt	110,809	-
Loss on equity issuance	16,701	-
Unrealized foreign currency gain (loss)	635	(269 )
Other, net	605	2,218
Changes in operating assets and liabilities:		
Accounts receivable	(4,001 )	(1,919 )
Inventory	4,253	(240 )
Prepaid expenses and other current assets	(1,353 )	1,459
Other assets	874	6,253
Accounts payable and accrued expenses	4,617	360
Payables to affiliates	73	(147 )
Other non-current liabilities	(996 )	(1,093 )
Deferred revenue	2,450	2,246
Net cash provided by operating activities	2,334	10,878
Cash flows used in investing activities:		
Second-generation satellites, ground and related launch costs (including interest)	(37,732 )	(43,305 )
Property and equipment additions	(1,225 )	(382 )
Investment in businesses	(496 )	(450 )
Restricted cash	8,838	(3,650 )
Net cash used in investing activities	(30,615 )	(47,787 )
Cash flows provided by financing activities:		
Borrowings from Facility Agreement	672	5,008
Proceeds from contingent equity agreement	1,071	23,000

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Payments to reduce principal amount of exchanged 5.75% Notes	(13,544 )	-	
Payments for 5.75% Notes not exchanged	(6,250 )	-	
Payments to lenders and other fees associated with exchange	(2,482 )	-	
Proceeds for equity issuance to related party	51,500	-	
Proceeds from issuance of common stock and exercise of warrants	8,979	100	
Payment of deferred financing costs	(16,904 )	(250	)
Net cash provided by financing activities	23,042	27,858	
Effect of exchange rate changes on cash	90	319	
Net decrease in cash and cash equivalents	(5,149 )	(8,732	)
Cash and cash equivalents, beginning of period	11,792	9,951	
Cash and cash equivalents, end of period	\$6,643	\$ 1,219	
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest	\$11,445	\$ 18,958	
Income taxes	28	216	
Supplemental disclosure of non-cash financing and investing activities:			
Reduction in accrued second-generation satellites and ground costs	9,688	4,646	
Increase in non-cash capitalized interest for second-generation satellites and ground costs	3,691	4,309	
Capitalization of the accretion of debt discount and amortization of debt issuance costs	4,716	6,786	
Interest and other payments made in convertible notes and common stock	4,240	4,629	
Conversion of debt into common stock	23,570	2,000	
Reduction in debt discount and issuance costs related to note conversions	13,164	1,812	
Extinguishment of principal amount of 5.75% Notes	(71,804 )	-	
Issuance of principal amount of 8% Notes Issued in 2013	54,611	-	
Issuance of common stock to exchanging note holders at fair value	12,127	-	
Reduction in carrying amount of Thermo Loan Agreement due to amendment	(35,026 )	-	
Conversion of contingent equity account derivative liability to equity	-	5,853	
Value of warrants issued in connection with the contingent equity account loan fee	-	2,226	

See accompanying notes to unaudited interim condensed consolidated financial statements.

**GLOBALSTAR, INC.**

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. BASIS OF PRESENTATION**

The Company has prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information. Certain information and footnote disclosures normally in financial statements have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission; however, management believes the disclosures made are adequate to make the information presented not misleading. These financial statements and notes should be read in conjunction with the consolidated financial statements a