GLOBAL SIGNAL INC
Form S-11
December 23, 2004
As filed with the Securities and Exchange Commission on December 23, 2004

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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)

Greerson G. McMullen
Executive Vice President, General Counsel and Secretary
Global Signal Inc.
301 North Cattlemen Road
Suite 300
Sarasota, Florida 34232
(941) 364-8886

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

Copies to:

Joseph A. Coco **Skadden, Arps, Slate, Meagher &** **Flom LLP** **4 Times Square** **New York, New York 10036-6522**	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

(212) 735-3000

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

Title of Each Class of Securities to be Registered	Amounts to be Registered[1]	Proposed Maximum Offering Price Per Share[2]	Proposed Maximum Aggregate Offering Price[1][2]	Amount of Registration Fee
Common stock, par value $0.01 per share	3,190,000	$ 27.78	$ 88,618,200	$ 10,430.37

(1) Includes 290,000 shares which may be issued upon the exercise of the underwriters' over-allotment 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 December 17, 2004.

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 DECEMBER 23, 2004

PROSPECTUS

2,900,000 Shares

Global Signal Inc.

Common Stock

We are offering 2,900,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange under the symbol "GSL." The last reported sale price of the common stock on December 21, 2004, was $27.00 per share.

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 18 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 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.
- 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.
- 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 290,000 additional shares to cover any overallotments.

Delivery of the shares will be made on or about , 2005.

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

Raymond James

The date of this prospectus is , 2005

[Map of Distribution of Sites]

[Pictures of wireless communications towers]

[Pictures of wireless communications towers]

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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.

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. Our strategy is to grow our adjusted EBITDA and adjusted Funds From Operations (1) organically by adding additional tenants to our towers, (2) by acquiring towers with existing telephony tenants in locations where we believe there are opportunities for organic growth and (3) by financing these newly acquired towers, on a long term basis, using equity combined with low-cost fixed-rate debt obtained through the issuance of mortgage-backed securities. Through this strategy we will seek to increase our dividend per share over time. On December 13, 2004, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ended December 31, 2004 which represents a 6.7% increase over the $0.375 per share dividend paid for the three months ended September 30, 2004 and a 28% increase over the $0.3125 per share dividend paid for the three months ended June 30, 2004. The $0.40 per share dividend is payable on January 20, 2005 to stockholders of record as of January 7, 2005.

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 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.

For the year ended December 31, 2003 and the nine months ended September 30, 2004, substantially all of our revenues came from our ownership, leasing and management of communications towers and other communications sites. Our communications sites are primarily located in the southeastern and mid-Atlantic regions of the United States. As of September 30, 2004, we owned 2,372 towers and 256 other communications sites. We own in fee or have long-term easements on the land under 829 of these towers and we lease the land under 1,543 of these towers. In addition, as of September 30, 2004, we managed 759 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 September 30, 2004, we owned or managed a total of 3,387 communications sites.

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 September 30, 2004, we had an aggregate of more than 12,000 leases on our communications sites with over 2,000 customers. The average number of tenants on our owned towers, as of September 30, 2004, was 4.0, which included an average of 1.4 wireless telephony tenants. Our revenue from wireless telephony tenants has increased from 40.6% of our total revenues for the month of December 2003 to 45.8% of our total revenues for the month of September 2004.

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For the year ended December 31, 2003, and the nine months ended September 30, 2004, we generated:

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004
	(in millions)	
Revenues from continuing operations	$ 169.2	$ 134.1
Net income	$ 18.0	$ 5.8
Adjusted EBITDA (1)	$ 83.9	$ 74.5
Adjusted Funds From Operations (1)	$ 62.6	$ 53.0

(1) Adjusted EBITDA and adjusted Funds From Operations, or AFFO, are non-GAAP financial measures we use in evaluating our performance. See "Summary Consolidated Financial Information" for a reconciliation of these measures to net income and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures" for a detailed description of why we believe such measures are useful.

At September 30, 2004, our ratios of total debt to net income and to adjusted EBITDA for the twelve months ended September 30, 2004 were 41.8 times and 4.4 times, respectively, and our total debt had a weighted average fixed interest rate of approximately 5.0% as of September 30, 2004.

Recent Developments

Acquisitions. Since the beginning of our acquisition program, on December 1, 2003, through December 17, 2004, we have acquired 846 communications sites for an aggregate purchase price of approximately $356.4 million, including fees and expenses. As of December 17, 2004, we have executed definitive agreements to acquire 85 communications sites for an aggregate purchase price of approximately $31.2 million, including estimated fees and expenses. In addition, from January 1, 2004 through December 17, 2004, we have invested $6.3 million, including fees and expenses, to acquire a fee interest or long-term easement under 60 wireless communications towers where we previously had a leasehold interest. As of December 17, 2004, we have executed definitive agreements to acquire a fee interest or long-term easements under an additional 14 communications towers. The above pending acquisitions are subject to customary closing conditions for real estate transactions of this type and may not be successfully completed. As of December 17, 2004, we also have non-binding letters of intent to purchase 309 towers for approximately $85.1 million, including fees and expenses. We are in the process of performing due diligence on these towers and seeking 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. As of December 17, 2004, the average number of telephony tenants on towers acquired since December 1, 2003 was 1.8. A majority of the acquired towers were built in the last four years and were generally designed to accommodate three to five telephony tenants per tower. Some of our recent acquisition activity includes:

- On December 17, 2004, we completed the acquisition of 43 towers from Towers of Texas Inc. for an aggregate purchase price of $24.4 million, including fees and expenses. The towers derived approximately 94.5% of their revenues based on the annualized amount of tenant billings for the month of September 2004, from wireless telephony tenants and are located primarily in Texas. The acquisition was funded with cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan described below.
- On December 3 and 17, 2004, we completed the acquisitions of an aggregate of 95 towers from Didicom Towers, Inc. and its affiliates, referred to herein as Didier Communications, for an aggregate purchase price of $26.6 million, including fees and expenses. The towers, which are primarily located in Arkansas, Missouri and Oklahoma, have an average age of two years and derived approximately 93.3% of their revenues based on the annualized amount of tenant billings for the month of September 2004, from wireless telephony tenants. The acquisition was partly funded with borrowings from our credit facility that was subsequently repaid with a portion of the December 2004 mortgage loan and partly with cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan.

- On November 12, 2004, we completed the acquisition of all of the membership interests of GoldenState Towers, LLC, or GoldenState, for an aggregate purchase price of $64.5 million, including estimated fees and expenses. GoldenState owns or operates 214 wireless communications 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 partly funded from cash held in escrow and partly from borrowings under our credit facility that was subsequently repaid with a portion of the proceeds from the December 2004 mortgage loan. The acquisition of the GoldenState business represents a significant expansion of our assets and operations into the western portion of the United States.
- On July 29, 2004, we signed a definitive agreement to purchase 237 wireless communications towers from Lattice Communications, LLC, for an aggregate purchase price of $119.1 million, including estimated fees and expenses. The towers derive approximately 91.9% of their revenue from wireless telephony tenants and subsidiaries of Cinergy Corp., or Cinergy. Cinergy has multi-year leases on many of these sites and utilizes these sites for its private communications and microwave network. The sites acquired are located primarily

in Indiana, Ohio, Alabama, Kansas and Georgia. On October 29 and November 30, 2004, we closed on an aggregate of 189 of the Lattice Communications towers with a purchase price of $95.8 million, including estimated fees and expenses. We funded this purchase partly from cash held in escrow and partly from borrowings from our credit facility that was subsequently repaid with a portion of the proceeds from the December 2004 mortgage loan. The acquisitions of the remaining sites are expected to close in late December 2004 and various times during the first quarter of 2005. They are subject to customary closing conditions and may not be successfully completed. We expect to fund the remainder of the purchase price with $1.5 million of cash held in escrow and with cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan.

• On June 30, 2004, we completed the acquisition of all of the membership interests in Tower Ventures III LLC, or Tower Ventures, from four non-affiliated individuals and their controlled entities for $53.0 million, including fees and expenses. Tower Ventures and its subsidiary own 97 wireless communications towers located primarily in Tennessee, Mississippi, Missouri and Arkansas. The communications towers are generally less than four years old and generate substantially all of their revenue from wireless telephony tenants. We funded the purchase price from a portion of the net proceeds of our initial public offering of our common stock.

In addition to the acquisitions described above, our acquisition activity includes the completed acquisition of nine, eight and 21 towers from Foresite Towers, LLC, Milestone Towers Limited Partnership I, and Selectel Midwest, LLC, respectively, for a purchase price, including fees and expenses of $1.6 million, $3.9 million and $4.0 million, respectively. In addition, the acquisitions under definitive purchase agreements that have not yet been completed as of December 17, 2004 include, 31 towers from Highland Towers for a purchase price, including estimated fees and expenses, of $8.7 million. Substantially all of the revenues from the towers of these four acquisitions is derived from wireless telephony.

Financings. 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 2003 along with certain additional communications sites we expect 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 December 17, 2004, the site acquisition reserve account had a balance of $85.5 million. The December 2004 mortgage loan requires monthly payments of interest until its maturity in December 2009. The weighted average interest rate on the various tranches of certificates 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 which we expect to have an aggregate acquisition cost of approximately $450.0 million, including fees and expenses, after all amounts in the site acquisition reserve have been used to fund acquisitions.

On December 3, 2004, Global Signal Operating Partnership, L.P. or Global Signal OP, entered into a 364-day $20.0 million revolving credit agreement with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, to provide funding for working capital and other corporate purposes. Amounts available under the revolving credit facility are reduced to $15.0 million upon the earlier of June 3, 2005 or the completion of certain equity issuances by us in excess of $5.0 million, including this offering. Interest on the revolving credit facility is payable at our option at either the London InterBank Offered Rate, or LIBOR, plus 3.0% or the bank's base rate plus 2.0%. The revolving credit facility contains covenants and restrictions standard for a facility of this type including a limitation on our consolidated indebtedness at $730.0 million. The revolving credit facility is guaranteed by Global Signal, Global Signal GP LLC and certain subsidiaries of Global Signal OP that are not party to the December and February 2004 mortgage loans. It is secured by a pledge of Global Signal OP's assets, including a pledge of 65% of its interest in our United Kingdom subsidiary, 100% of the interest in certain other of our domestic subsidiaries and a pledge by Global Signal of 65% of its interest in its Canadian subsidiary.

On February 5, 2004, our largest 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 trust, the February 2004 mortgage loan. The trust simultaneously issued $418.0 million in commercial mortgage pass-through certificates with terms identical 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 December 17, 2004, 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 91.6% of our gross margins for the three months ended September 30, 2004.

On October 15, 2004, we amended and restated our $200.0 million credit facility with Morgan Stanley Asset Funding Inc. to, among other things, increase the commitment by the lenders to $250.0 million and to add Bank of America, N.A. as a lender. We used our credit facility to provide financing for acquisitions until December 7, 2004 when we repaid and terminated our credit facility with a portion of the proceeds from our December 2004 mortgage loan.

Dividends. On December 13, 2004, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ending December 31, 2004, which represents a 6.7% increase over the per share dividend paid for the three months ending September 30, 2004. The $0.40 per share dividend is payable on January 20, 2005 to stockholders of record as of January 7, 2005. As of the date of this prospectus, we have not closed our accounting books and records for the three months ending December 31, 2004, and therefore we cannot determine the exact amount of this dividend that represents a return of our stockholders' capital. As a result, for purposes of certain disclosures included elsewhere in this prospectus, we have assumed that the entire dividend represents a return of our stockholders' capital. Purchasers of shares of common stock in this offering will not be entitled to this dividend.

On October 20, 2004, we paid an ordinary dividend of $0.375 per share of our common stock for the three months ended September 30, 2004, which represents a 20% increase over the quarterly dividends we paid for the three months ended June 30, 2004. The ordinary dividend paid for the three months ended September 30, 2004 totaled $19.1 million, with $12.8 million representing a return of our stockholders' capital.

On July 20, 2004, we paid an ordinary dividend of $0.103 per share of our common stock, or an aggregate of $5.2 million, of which $3.9 million represented a return of capital, to stockholders of record as of July 6, 2004, for the period from June 1, 2004 through June 30, 2004. On June 14, 2004, we paid a dividend of $0.2095 per share of common stock to stockholders of record as of May 26, 2004, or an aggregate of $8.8 million, of which $5.0 million represented a return of our stockholders' capital, for the period of April 1, 2004 through May 31, 2004. We paid this dividend so that holders of our common stock prior to our initial public offering received a distribution for the period prior to the completion of the offering. On April 22, 2004, we paid an 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 our stockholders' capital, for the three months ended March 31, 2004. On February 5, 2004, we paid an 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. In addition, on February 5, 2004, we paid a $142.2 million one-time special distribution to our stockholders, which represented a return of our stockholders' capital.

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:
  - growth in the number of wireless telephony subscribers;
  - increasing wireless telephony usage per subscriber;
  - increasing wireless data usage;
  - customer demand for high network quality and ubiquitous coverage;
  - new wireless technologies, devices and applications; and
  - significant investments by wireless telephony service providers in their networks to increase coverage and 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.
- 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.
- 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, adjusted Funds From Operations, or 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 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 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.
- 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 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 credit facility we repaid with a portion of the net

proceeds from our December 2004 mortgage loan.

- 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.
- 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 Stable Cash Flows. As of September 30, 2004, we had 3,387 communications sites, including 2,372 owned towers. Our diversified customer base, which includes over 2,000 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. Our organizational structure, sales force, business processes and systems are oriented towards improving customer service and adding new tenants.
- 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 5.8% of our common stock on a fully diluted basis, as of December 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.

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 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, or 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 our 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 2004 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. In addition, Fortress and Greenhill received a return of capital related to their portion of our May, June and September 2004 ordinary dividends to the extent the dividends exceeded accumulated earnings to date in the aggregate amount of $14.9 million, thereby decreasing their investment to $31.1 million. We are also paying our stockholders of record as of January 7, 2005 a dividend of $0.40 per share of our common stock for the three months

ending December 31, 2004. As of the date of this prospectus, we have not closed our accounting books and records for the three months ending December 31, 2004, and therefore we cannot determine the exact amount of this dividend that represents a return of our stockholders' capital. As of December 17, 2004, assuming there are no additional warrant or stock option exercises, the aggregate dividend will be approximately $20.5 million. Assuming the entire amount of the dividend is a return of capital, the Fortress and Greenhill investment would be reduced by $13.3 million, to $17.8 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 November 1, 2002. On February 5, 2004, the old credit facility was paid in full and terminated.

Prior to our reorganization we had 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 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.

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.

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

(1)Unless otherwise noted, all ownership is 100%.
(2)Special purpose entity whose only asset is the member's interest in its subsidiary.
(3)Our primary management and services company.

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 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 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 site space could result in a material reduction in our revenues.
- We do not believe it is likely we will be able to renew one of our primary leases with our largest customer on the same terms when it expires in May 2005.
- As of September 30, 2004, our tenant leases had a weighted average current term of approximately 4.8 years and had a weighted average remaining term of 2.4 years. 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.
- 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 will 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.
- 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 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.
- 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.
- 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 mortgage loans and revolving credit facility 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 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

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

The market price of our stock could be negatively affected by sales of substantial amounts of our common stock if our largest stockholder defaults under a credit agreement secured by its 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 could have effects that conflict with the interests of our stockholders.

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

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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	2,900,000 shares
Common stock to be outstanding after the offering	54,094,581 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 4,284,808 shares of common stock outstanding as of December 21, 2004.

Use of Proceeds

Based on the assumed offering price of $, our net cash proceeds from the sale of the shares of common stock will be approximately $ million, or approximately $ 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 $59.0 million to finance the acquisition of 233 communications sites for which we have currently signed non-binding letters of intent. These towers are located in Alabama, Arkansas, Florida, Georgia, Illinois, Lousiana, Michigan, Mississippi, New Hampshire, South Carolina, Tennessee, Texas and Vermont. We are seeking to complete our due diligence and negotiate purchase agreements for these sites. Acquisitions of communications sites subject to letters of intent are less likely to be consummated than those subject to definitive purchase agreements. In the event we are unable to acquire these sites we intend to use the proceeds from this offering for other acquisitions or general corporate purposes.
- Approximately $ million 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 $ follows:

	Dollar Amount (in thousands)	Percentage of Gross Proceeds
Gross offering proceeds	$	100.0%
Underwriting discount and commissions and commissions		%
Other expenses of offering		%
Net offering proceeds	$	%

	Dollar Amount (in thousands)	Percentage of Net Proceeds
Estimated amount to finance the acquisition of communications sites for which we currently have signed non-binding letters of intent		
Estimated amount used for working capital and other general corporate purposes.		
Net offering proceeds	$	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 or to repay indebtedness under our revolving credit facility with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, if any such indebtedness is outstanding.

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."

Distribution Policy

On December 13, 2004, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ending December 31, 2004, payable on January 20, 2005, to stockholders of record as of January 7, 2005. The portion of this dividend, which exceeds our accumulated earnings as of December 31, 2004, will represent a return of our stockholders' capital. For the three months ended September 30, 2004, we paid an ordinary dividend of $0.375 per share of our common stock, or an aggregate of $19.1 million, of which $12.8 million represented a return of our stockholders' capital, which was paid on October 20, 2004, to stockholders of record as of October 8, 2004. On July 20, 2004, we paid an ordinary dividend of $0.103 per share of our common stock, or an aggregate of $5.2 million, of which $3.9 million represented a return of our stockholders' capital, to stockholders of record as of July 6, 2004, for the period from June 1, 2004 through June 30, 2004. On June 14, 2004, we paid an ordinary dividend of $0.2095 per share of our common stock, or an aggregate of $8.8 million, of which $5.0 million represented a return of our stockholders' capital for the period of April 1, 2004 through May 31, 2004. On April 22, 2004, we paid an 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 our stockholders' capital, for the three months ended March 31, 2004. On February 5, 2004, we paid an 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. We intend to continue to make regular quarterly distributions to the holders of our common stock. Distributions, including distributions 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. We have already satisfied that requirement for 2004 through payment of our $142.2 million one-time special distribution and our quarterly ordinary dividends.

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 and cash flows 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 September 30, 2003 and 2004 and the statements of operations and cash flows for the nine months ended

September 30, 2003 and 2004, are derived from our unaudited condensed consolidated interim financial statements.

The pro forma as adjusted statement of operations data reflects (i) the issuance of the February 2004 mortgage loan of $418.0 million and the application of the February 2004 mortgage loan net proceeds, (ii) the initial public offering of 8,050,000 shares of our common stock at an offering price of $18.00 per share of common stock, and the application of the net proceeds therefrom, including a portion to fund the Tower Ventures acquisition, (iii) seven other acquisitions: Foresite, Milestone, Lattice, Didier Communications, Towers of Texas, Selectel Midwest and Highland Towers, all of which have been consummated or are currently subject to definitive purchase agreements, (iv) the issuance of the December 2004 mortgage loan of $293.8 million and the application of the net proceeds therefrom and (v) this offering of 2,900,000 shares of common stock at an assumed offering price of $ per share, the closing price of our shares of common stock on , and the application of the net proceeds therefrom, 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, respectively. The pro forma as adjusted balance sheet data as of September 30, 2004 reflects this offering, the December 2004 mortgage loan issuance and the Milestone, Lattice, Didier Communications, Towers of Texas, Selectel Midwest and Highland Towers acquisitions as if they had occurred on September 30, 2004. We have consummated other tower acquisitions and have executed definitive agreements to acquire additional towers which are not included in these pro forma financial statements because they do not meet the applicable criteria of Regulation S-X of the Securities and Exchange Commission. Certain of the items considered in pro forma adjustments to the statements of operations are not reflected as adjustments to the pro forma balance sheet, because they are already reflected in the historical balance sheet as of September 30, 2004.

On November 1, 2002, we emerged from Chapter 11. In accordance with AICPA Statement of Position 90-7 Financial Reporting by Entities in Reorganization Under the Bankruptcy Code ("SOP 90-7"), we adopted fresh start accounting as of November 1, 2002 and our emergence from Chapter 11 resulted in a new reporting entity. Under fresh start accounting, the reorganization value of the entity is allocated to the entity's assets based on fair values, and liabilities are stated at the present value of amounts to be paid determined at appropriate current interest rates. The effective date is considered to be the close of business on November 1, 2002 for financial reporting purposes. The periods presented prior to November 1, 2002 have been designated "predecessor company" and the periods starting on November 1, 2002 have been designated "successor company." As a result of the implementation of fresh start accounting as of November 1, 2002, our financial statements after that date are not comparable to our financial statements for prior periods because of the differences in the basis of accounting and the debt and equity structure for the predecessor company and the successor company. The more significant effects of the differences in the basis of accounting on the successor company's financial statements are (1) lower depreciation and amortization expense as a result of the revaluation of our long-lived assets downward by $357.2 million through the application of fresh start accounting, and (2) lower interest expense as a result of the discharge of $404.8 million of debt upon our emergence from bankruptcy.

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 financial statements, our condensed consolidated interim financial statements, our pro forma condensed consolidated financial statements, Tower Ventures', Foresite's, Milestone's, Lattice's, Didier Communications', Towers of Texas', Selectel Midwest's and Highland Towers' statements of revenue and certain expenses, and each of their related notes included elsewhere in this prospectus.

Predecessor Company	Successor Company

	Year Ended December 31, 2001	Ten Months Ended October 31, 2002	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Pro Forma As Adjusted Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Pro Forma As Adjusted Nine Months Ended September 30, 2004
	(dollars in thousands, except per share data)							
Statements of Operations Data: (1)								
Revenue	$ 178,020	$ 140,646	$ 28,285	$ 169,233	$ 189,400	$ 124,946	$ 134,125	$ 151,080
Direct site operating expenses (excluding impairment losses, depreciation, amortization and accretion expense)	67,259	48,060	9,361	56,343	61,383	41,186	41,290	45,406
Gross margin	110,761	92,586	18,924	112,890	128,017	83,760	92,835	105,674
Other expenses:								
Selling, general and administrative	47,898	27,496	4,818	26,926	26,926	19,727	18,035	18,035
State franchise, excise and minimum taxes	1,877	1,671	331	848	848	625	500	500
Depreciation, amortization and accretion (2)	119,337	74,175	7,512	44,496	58,600	33,528	37,164	46,889
Non-cash stock-based compensation expense	—	—	—	1,479	1,479	592	3,440	3,440
Impairment loss on assets held for sale	46,592	1,018	—	—	—	—	—	—
Impairment loss on assets held for use	246,780	4,541	—	—	—	—	—	—
Reorganization expenses	—	59,124	—	—	—	—	—	—
Unsuccessful debt restructuring expenses	1,702	—	—	—	—	—	—	—
Total operating expenses	464,186	168,025	12,661	73,749	87,853	54,472	59,139	68,864
Operating income (loss)	(353,425)	(75,439)	6,263	39,141	40,164	29,288	33,696	36,810
Gain (loss) on extinguishment of debt	—	404,838	—	—	(8,838)	—	(8,449)	(8,838)
Interest expense, net.	(88,731)	(45,720)	(3,989)	(20,352)	(39,596)	(15,832)	(19,294)	(30,494)
Other income (expense)	113	533	(136)	(16)	(16)	24	84	84
Income tax benefit (expense)	6,630	5,195	(19)	665	665	326	(324)	(324)
Income (loss) from continuing operations	(435,413)	289,407	2,119	19,438	$ (7,621)	13,806	5,713	$ (2,762)
Income (loss) from discontinued operations (1)	(7,145)	(33,157)	(66)	(1,100)		171	7	
Income (loss) before gain (loss) on sale of properties	(442,558)	256,250	2,053	18,338		13,977	5,720	
Gain (loss) on sale of properties	(5,644)	(78)	(2)	(302)		(20)	119	

Net income (loss)	$ (448,202)	$ 256,172	$ 2,051	$ 18,036		$ 13,957	$ 5,839	
Net income (loss) per share (basic) (3)	$ (9.25)	$ 5.27	$ 0.05	$ 0.44	$ (0.15)	$ 0.34	$ 0.13	$ (0.05)
Net income (loss) per share (diluted) (3)	$ (9.25)	$ 5.27	$ 0.05	$ 0.44	$ (0.15)	$ 0.34	$ 0.12	$ (0.05)
Statement of Cash Flows Data:								
Net cash provided by operating activities	$ 27,125	$ 20,869	$ 7,193	$ 59,218	$	$ 46,544	$ 59,511	$
Net cash used in investing activities	(27,184)	(3,920)	(727)	(36,181)		(4,064)	(125,368)	
Net cash provided by (used in) financing activities	(31,687)	(22,102)	(9,626)	(17,840)		(37,933)	88,777	
Purchases of property and equipment	28,787	9,273	762	8,544		6,143	7,433	

	Predecessor Company				Successor Company			
	December 31, 2001	October 31, 2002	December 31, 2002	December 31, 2003		September 30, 2003	September 30, 2004	Pro Forma As Adjusted September 30, 2004
					(dollars in thousands)			
lance Sheet Data:								
sh and cash uivalents	$ 13,187	$ 21,819	$ 4,350	$ 9,661		$ 9,222	$ 31,816	$
tal assets	1,034,333	909,098	530,645	525,040		50,153	645,111	
tal long-term ligations	9,274	6,610	263,344	263,153		223,330	413,331	
tal stockholders' uity	83,798	354,917	207,377	225,453		221,843	174,341	

	Predecessor Company				Successor Company			
	Year Ended December 31, 2001	Ten Month Ended October 31, 2002	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Pro Forma As Adjusted Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Pro Forma As Adjusted Nine Months Ended September 30, 2004
					(dollars in thousands)			
her Operating ta:								
ljusted EBITDA (3)	$ (242,786)	$ (31,185)	$ 13,620	$ 83,908	$ 100,437	$ 63,583	$ 74,520	$ 87,233
ljusted Funds From perations	(321,068)	(72,877)	9,605	62,570	60,244	46,440	52,995	54,508

FFO) (4)

(1)During the ten months ended October 31, 2002, the two months ended December 31, 2002, the year ended December 31, 2003 and the nine months ended September 30, 2003 and 2004, we disposed of, or held for disposal by sale, certain non-core assets and under performing sites which have been accounted for as discontinued operations. Their results for all periods presented are not included in results from continuing operations.

(2)Depreciation, amortization and accretion expense for the ten months ended October 31, 2002 and the two months ended December 31, 2002 are not proportional because the successor company's depreciable assets have a lower basis. Following the restructuring transaction, assets were revalued, including all long-lived assets, to their fair value, thereby lowering the depreciable basis.

(3)We believe adjusted EBITDA is useful to an investor in evaluating our performance as it is one of the primary measures used by our management team to evaluate our operations, is widely used in the tower industry to measure performance and was used in our credit facility to measure compliance with covenants and we expect it to be used in future credit facilities we may obtain. Adjusted EBITDA consists of net income (loss) before interest, income tax expense (benefit), depreciation and amortization, accretion, gain or loss on extinguishment of debt and non-cash stock based compensation expense. We have also provided supplemental information regarding certain non-cash items, items associated with discontinued operations and items associated with our reorganization. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures — Adjusted EBITDA" for a more detailed discussion of why we believe it is a useful measure.

Footnotes continue on next page

The reconciliation of net income (loss) to adjusted EBITDA is as follows:

	Predecessor Company		Successor Company					
	Year Ended December 31, 2001	Ten Months Ended October 31, 2002	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Pro Forma As Adjusted Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Pro Forma As Adjusted Nine Months Ended September 30, 2004
	(dollars in thousands)							
Net income (loss)	$ (448,202)	$ 256,172	$ 2,051	$ 18,036	$ (7,621)	$ 13,957	$ 5,839	$ (2,762)
Interest expense, net	88,731	45,720	3,989	20,352	39,596	15,832	19,294	30,494
Income tax expense (benefit)	(6,630)	(5,195)	19	(665)	(665)	(326)	324	324
Depreciation, amortization and accretion	123,315	76,956	7,561	44,706	58,810	33,528	37,174	46,899
(Gain) loss on extinguishment of	—	(404,838)	—	—	8,838	—	8,449	8,838

debt								
Non-cash stock based compensation	—	—	—	1,479	1,479	592	3,440	3,440
Adjusted EBITDA	$ (242,786)	$ (31,185)	$ 13,620	$ 83,908	$ 100,437	$ 63,583	$ 74,520	$ 87,233
Supplemental Information:								
Impairment on assets held for sale	$ 46,592	$ 1,018	$ —	$ —	$ —	$ —	$ —	$ —
Impairment on assets held for use	246,780	4,541	—	—	—	—	—	—
Reorganization expenses	—	59,124	—	—	—	—	—	—
(Gain) loss on sale of assets	5,644	78	2	302	302	(20)	(119)	(119)
(Gain) loss on discontinued operations	7,145	33,157	66	1,100	1,100	(171)	(7)	(7)

(4) Adjusted Funds From Operations, or AFFO, for our purposes, represents net income (computed in accordance with generally accepted accounting principles or GAAP), excluding depreciation, amortization and accretion on real estate assets, gains (or losses) on the disposition of depreciable real estate assets, gains (or losses) on the extinguishment of debt and non-cash stock based compensation for services. We believe AFFO is an appropriate measure of the performance of REITs because it provides investors with an understanding of our ability to incur and service debt and make capital expenditures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures — Adjusted Funds From Operations" for a more detailed discussion of why we believe it is a useful measure.

The reconciliation of net income to AFFO is as follows:

	Predecessor Company		Successor Company					
	Year Ended December 31, 2001	Ten Months Ended October 31, 2002	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Pro Forma As Adjusted Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Pro Forma As Adjusted Nine Months Ended September 30, 2004
	(dollars in thousands)							
Net income (loss)	$ (448,202)	$ 256,172	$ 2,051	$ 18,036	$ (7,621)	$ 13,957	$ 5,839	$ (2,762)
Real estate depreciation, amortization, and accretion	121,490	75,613	7,552	42,329	56,822	31,746	35,559	45,284
(Gain) loss on disposal of assets	5,644	176	2	726	726	145	(292)	(292)
(Gain) loss on extinguishment of debt	—	(404,838)	—	—	8,838	—	8,449	8,838
Non-cash stock based compensation	—	—	—	1,479	1,479	592	3,440	3,440

Adjusted Funds From Operations (AFFO)	$ (321,068)	$ (72,877)	$ 9,605	$ 62,570	$ 60,244	$ 46,440	$ 52,995	$ 54,508

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following information, together with the other information contained in this prospectus, before buying shares of our common stock. In connection with the forward-looking statements that appear in this prospectus, you should also carefully review the cautionary statement referred to under "Cautionary Statement Regarding Forward-Looking Statements."

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.

On November 1, 2002, we emerged from Chapter 11. 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 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. 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. Prior to our reorganization, we incurred net losses of approximately $448.2 million in 2001 and $124.3 million in 2000. In accordance with AICPA Statement of Position 90-7 Financial Reporting by Entities in Reorganization Under the Bankruptcy Code ("SOP 90-7"), we adopted fresh start accounting as of November 1, 2002 and our emergence from Chapter 11 resulted in a new reporting entity. Under fresh start accounting, the reorganization value of the entity is allocated to the entity's assets based on fair values, and liabilities are stated at the present value of amounts to be paid determined at appropriate current interest rates. The effective date is considered to be the close of business on November 1, 2002 for financial reporting purposes. The periods presented prior to November 1, 2002 have been designated "predecessor company" and the periods starting on November 1, 2002 have been designated "successor company." As a result of the implementation of fresh start accounting as of November 1, 2002, our financial statements after that date are not comparable to our financial statements for prior periods because of the differences in the basis of accounting and the debt and equity structure for the predecessor company and the successor company. The more significant effects of the differences in the basis of accounting on the successor company's financial statements are (1) lower depreciation and amortization expense as a result of the revaluation of our long-lived assets downward by $357.2 million through the application of fresh start accounting, and (2) lower interest expense as a result of the discharge of $404.8 million of debt upon our emergence from bankruptcy.

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.

As a result of our emergence from bankruptcy, we are operating our business with a new capital structure, and adopted fresh start accounting prescribed by generally accepted accounting principles. Accordingly, unlike other companies that have not previously filed for bankruptcy protection, our financial condition and results of operations are not comparable to the financial condition and results of operations reflected in our historical financial statements for periods prior to November 1, 2002, contained in this prospectus. Without historical financial statements to compare to our current performance, it may be more difficult for you to assess our future prospects when evaluating an investment in our common stock.

A decrease in the demand for our communications sites and our ability to attract additional tenants could negatively impact our ability to maintain profitability.

Our business depends on wireless service providers' demand for communications sites, which in turn, depends on consumer demand for wireless services. A reduction in demand for our communications sites or increased competition for additional tenants could negatively impact our ability to maintain profitability and harm our ability to attract additional tenants. Our wireless service provider customers

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lease communications sites on our towers based on a number of factors, including the level of demand by consumers for wireless services, the financial condition and access to capital of those providers, the strategy of providers with respect to owning, leasing or sharing communications sites, available spectrum and related infrastructure, competitive pricing, government regulation of communications licenses, and the characteristics of each company's technology and geographic terrain.

To a lesser degree, demand for site space is also dependent on the needs of television and radio broadcasters. Among other things, technological advances, including the development of satellite-delivered radio and television, may reduce the need for tower-based broadcast transmission. Any decrease in the demand for our site space from current levels or in our ability to attract additional customers could negatively impact our ability to maintain profitability and could decrease the value of your investment in our common stock.

Increasingly, transmissions that were previously effected by means of paging and mobile radio technologies have shifted to wireless telephony. As a result, we have experienced, and expect to continue to experience, increases in the percentage of our revenues that are generated from wireless telephony customers. We cannot assure you that the increases in our revenues from wireless telephony customers will offset the reduction in our revenues from paging and mobile radio customers. Some of our towers may not be as attractive to, or suitable for wireless telephony customers as for our other types of customers, which could negatively impact our ability to maintain profitability from wireless telephony customers.

Our revenues may be adversely affected by the economies, real estate markets and wireless communication industry in the regions where our sites are located.

The revenues generated by our sites could be affected by the conditions of the economies, the real estate markets and the wireless communications industry in regions where the sites are located, changes in governmental rules and fiscal policies, acts of nature (which may result in uninsured or under-insured losses), and other factors particular to the locales of the respective sites. Our sites are located in all 50 states, the District of Columbia, Canada and the United Kingdom.

The economy of any state or region in which a site is located may be adversely affected to a greater degree than that of other areas of the country by developments affecting industries concentrated in such state or region. To the extent that general economic or other relevant conditions in states or regions, in which sites representing significant portions of our revenues are located, decline or result in a decrease in demand for wireless communications services in the region, our revenues from such sites may be adversely affected. For example, our sites in Florida and Georgia together accounted for approximately 25.1% of our revenues for the nine months ended September 30, 2004. A deterioration of general economic or other relevant conditions in those states could result in a decrease in the demand for our services and a decrease in our revenues from those markets, which in turn may have an adverse effect on our results of operations and financial condition.

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.

Various wireless service providers, which are our primary existing and potential customers, could enter into mergers, acquisitions or joint ventures with each other over time. For example, on October 26, 2004, Cingular merged with AT&T Wireless. On November 16, 2004, Arch Wireless and Metrocall Holdings, Inc. merged to form USA Mobility, Inc. Furthermore, on December 15, 2004, Sprint announced it agreed to merge with Nextel. Such consolidations could reduce the size of our customer base and have a negative impact on the demand for our services. In addition, consolidation among our customers is likely to result in duplicate networks, which could result in network rationalization and impact the revenues at our sites. Recent regulatory developments have made consolidation in the wireless industry easier and more likely.

In November 2002, the Federal Communications Commission's, or FCC's, Spectrum Policy Task Force issued a Report containing a number of specific recommendations for spectrum policy reform, including market-oriented spectrum rights, increased access to spectrum, and new interference protections. Subsequently, in May and October of 2003 and September of 2004, the FCC adopted and proceeded

to implement new rules authorizing wireless radio services holding exclusive licenses to freely lease unused spectrum. Additionally, in November 2003, the FCC made additional spectrum available for unlicensed use. In September 2004, the FCC adopted amendments to its spectrum regulations in order to promote the deployment of spectrum-based services in rural America, allowing carriers to use higher power levels at base stations in certain rural areas. Finally, in August 2004, the FCC took steps to remedy the interference caused by Commercial Mobile Radio Service (CMRS) operators on public safety operations in the 800 MHz band and provided for the relocation of various CMRS and private mobile service operators in the 800 and 1900 MHz bands. It is possible that at least some wireless service providers may take advantage of the relaxation of spectrum and ownership limitations and other deregulatory actions of the FCC and consolidate or modify their business operations.

Regarding our broadcast customers, the FCC has assigned a second channel to every eligible television station licensee for the transition from analog to digital signals. In September 2004, the FCC established build-out deadlines for full-power digital television in July 2005 and 2006. Congress mandated that the broadcasters' analog licenses be returned to the FCC upon the transition to digital television, which could come as early as December 31, 2006. This transition is subject to further actions by the FCC and possibly by Congress. The transition to digital television and end of analog television broadcasting could affect the demand for use of our towers.

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.

Our revenues are dependent on the creditworthiness of our tenants and would be adversely affected by the loss of or default by significant tenants. Also, the recent economic slowdown has harmed, and may continue to harm, the financial condition of some wireless service providers. Many wireless service providers operate with substantial leverage and some of our customers, representing 1.0% of our revenues for the nine months ended September 30, 2004, are in bankruptcy. Other customers are having financial difficulties due to their inability to access additional capital. If one or more of our major customers experience financial difficulties, it 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 five largest customers, which represented 45.0% of our revenues for the nine months ended September 30, 2004, are USA Mobility (after giving effect to the Arch Wireless and Metrocall merger), Cingular (after giving effect to its merger with AT&T Wireless), Nextel, Verizon Wireless and T-Mobile. These customers represented 15.4%, 12.1%, 7.4%, 5.8% and 4.3%, respectively, of our revenues for the nine months ended September 30, 2004. These customers operate under multiple lease agreements that have initial terms generally ranging from three to five years and which are renewable, at our customer's option, over multiple renewal periods also generally ranging from three to five years. One of the entities that merged to form USA Mobility, Arch Wireless, is in the third year of a three-year lease. Excluding the Arch Wireless lease, as of September 30, 2004, approximately 55.6% of our revenues for September 2004 from these customers were from leases in their initial term, 41.8% were from leases in a renewal period, and 2.6% were from month-to-month leases. Arch Wireless reorganized under Chapter 11 in late 2001 and exited bankruptcy in May 2002 and has reduced its utilization of our sites in recent years. In addition, on December 15, 2004, Sprint, our sixth largest customer by revenues for the nine months ended September 30, 2004 (after giving effect to the Arch Wireless and Metrocall merger and the Cingular and AT&T Wireless merger), announced it agreed to merge with Nextel, our second largest customer by revenues for the nine months ended September 30, 2004. Sprint, after giving effect to a merger with Nextel, represents 11.5% of our revenues for the nine months ended September 30, 2004. 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 of the utilization of our site space and in our revenues.

We do not believe it is likely we will be able to renew one of our primary leases with our largest customer on the same terms when it expires in May 2005.

Our largest customer for the nine months ended September 30, 2004, Arch Wireless, is in the third year of a three-year lease. On November 16, 2004, Arch Wireless merged with Metrocall to form USA Mobility. We do not believe it is likely we will be able to renew the Arch Wireless lease on the same terms when it expires in May 2005. For the nine months ended September 30, 2004, USA Mobility (after giving effect to the Arch Wireless and Metrocall merger) represented 15.4% of our revenues. Failure to renew the Arch Wireless lease or renewal of the Arch Wireless lease on less favorable terms would result in a reduction in our revenues and could adversely impact our financial condition.

As of September 30, 2004, our tenant leases had a weighted average current term of approximately 4.8 years and had a weighted average remaining term of 2.4 years. Our revenues depend on the renewal of our tenant leases by our customers on favorable terms.

Our tenant leases had a weighted average current term of approximately 4.8 years, as of September 30, 2004, and had a weighted average remaining term of 2.4 years. We cannot assure you that our existing tenants will renew their leases at the expiration of those leases. Further, we cannot assure you that we will be successful in negotiating favorable terms with those customers that renew their tenant leases. For example, one of the entities that merged to form USA Mobility, Arch Wireless, currently occupies fewer sites than its contracted number and as a result we do not believe it is likely we will be able to renew its lease on the same terms upon expiration in May 2005. Failure to obtain renewals of our existing tenant leases or the failure to successfully negotiate favorable terms for such renewals would result in a reduction in our revenues.

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.

We are currently upgrading our software systems. We implemented a PeopleSoft system, effective July 1, 2004, for many of our accounting functions, including accounts payable, accounts receivable and general ledger functions. We will continue to make modifications and add additional modules such as fixed assets during the coming months. We are also implementing a separate software package, manageStar, to manage our communications sites, tenant and ground leases and records. The integration of these software systems with our business is a significant project during which we may encounter difficulties that may be time consuming and costly, and result in systems interruptions and the loss of data. These two new systems handle our most significant business processes and difficulties with the implementation of these systems may adversely affect our day-to-day operations and our ability to service our customers, which in turn may harm our ability to operate our business.

If we are unable to successfully compete, our business will suffer.

We believe that tower location and capacity, price, quality of service and density within a geographic market historically have been, and will continue to be, the most significant competitive factors affecting our site operations business. We compete for customers with:

- wireless service providers that own and operate their own towers and lease, or may in the future decide to lease, antenna space to other providers;
- other independent tower operators; and
- owners of non-tower antenna sites, including rooftops, water towers and other alternate structures.

Some of our competitors have significantly more financial resources than we do. The intense competition in our industry may make it more difficult for us to attract new tenants, increase our gross margins or maintain or increase our market share.

Competing technologies may offer alternatives to ground-based antenna systems, which could reduce the future demand for our sites.

Most types of wireless and broadcast services currently require ground-based network facilities, including communications sites for transmission and reception. The development and growth of

communications and other new technologies that do not require ground-based sites could reduce the demand for space on our towers. For example, the growth in delivery of video, voice and data services by satellites, which allow communication directly to users' terminals without the use of ground-based facilities, could lessen demand for our sites. Moreover, the FCC has issued licenses for several additional satellite systems (including low earth orbit systems) that are intended to provide more advanced, high-speed data services directly to consumers. These satellite systems compete with land-based wireless communications systems, thereby reducing the demand for the services that we provide.

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.

Technological developments are also making it possible for carriers to expand their use of existing facilities to provide service without additional tower facilities. The increased use by carriers of signal combining and related technologies, which allow two or more carriers to provide services on different transmission frequencies using the communications antenna and other facilities normally used by only one carrier, could reduce the demand for tower space. Technologies that enhance spectral capacity, such as beam forming or "smart antennas," which can increase the capacity at existing sites and reduce the number of additional sites a given carrier needs to serve any given subscriber base, may have the same effect.

Carrier joint ventures and roaming agreements, which allow for the use of competitor transmission facilities and spectrum, may reduce future demand for incremental sites.

Carriers are, through joint ventures, sharing (or considering the sharing of) telecommunications infrastructure in ways that might adversely impact the growth of our business. Furthermore, wireless service providers frequently enter into roaming agreements with competitors which allow them to utilize one another's wireless communications facilities to accommodate customers who are out of range of their home providers' services, so that the home providers do not need to lease space for their own antennas on communications sites we own. For example, over the past two years, Cingular, through AT&T Wireless, has entered into roaming agreements with T-Mobile and more than 30 rural or regional carriers, including Western Wireless and Dobson Communications, covering parts of 30 states. Any of the conditions and developments described above could reduce demand for our ground-based antenna sites and decrease demand for our site space from current levels or our ability to attract additional customers and may negatively affect our profitability.

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.

Our business depends on our ability to modify towers and add new customers as they expand their tower network infrastructure. Regulatory and other barriers could adversely affect our ability to modify towers in accordance with the requirements of our customers, and, as a result, we may not be able to meet our customers' requirements. Our ability to modify towers and add new customers to towers may be affected by a number of factors beyond our control, including zoning and local permitting requirements, Federal Aviation Administration, or FAA, considerations, FCC tower registration and radio frequency emission procedures and requirements, historic preservation and environmental requirements, availability of tower components and construction equipment, availability of skilled construction personnel, weather conditions and environmental compliance issues. In addition, because public concern over tower proliferation has grown in recent years, many communities now restrict tower modifications or delay granting permits required for adding new customers. In addition, we may not be able to overcome the barriers to modifying towers or adding new customers. Our failure to complete the necessary modifications 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.

Since the beginning of our acquisition program, on December 1, 2003 through December 17, 2004, we have acquired 846 communications sites in 51 transactions for an aggregate purchase price of approximately $356.4 million, including fees and expenses. As of December 17, 2004, we have executed definitive agreements to acquire 85 communications sites for an aggregate purchase price of approximately $31.2 million, including estimated fees and expenses. We will continue to target strategic tower and tower company acquisitions as opportunities arise. The process of integrating acquired operations into our existing operations may result in unforeseen operating difficulties, divert managerial attention or require significant financial resources. These acquisitions and other future acquisitions may require us to incur additional indebtedness and contingent liabilities, and may result in unforeseen expenses, which may limit our revenue growth, cash flows, and our ability to maintain profitability and make distributions. Additionally, these acquisitions may be financed through the issuance of additional equity, which would dilute the interests of our stockholders. Moreover, any future acquisitions may not generate any additional income for us or provide any benefit to our business. In addition, we cannot assure you that we will be able to locate and acquire towers at attractive prices in locations that are compatible with our strategy. Finally, when we are able to locate towers and enter into definitive agreements to acquire them, we cannot assure you that the transactions will be completed. Failure to complete transactions after we have entered into definitive agreements may result in significant expenses to us.

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.

We believe that our low cost debt, combined with appropriate leverage, should allow us to maintain operating and financial flexibility. Our strategy is to utilize credit facilities to provide us with funds to acquire communications sites, and our capital management strategy is then to finance newly acquired assets, on a long-term basis, using equity combined with low-cost fixed-rate debt obtained through the periodic issuance of mortgage-backed securities. We may not be able to obtain credit facilities or successfully issue mortgage-backed securities in the future or on terms that are favorable to us. If we are unable to obtain assets through the use of funds from a credit facility or finance our newly acquired assets through the issuance of mortgage-backed securities our debt may be more expensive and our expenses to finance new acquisitions may increase. An increase in financing expenses may harm our ability to acquire new towers and our financial condition. Under our December 2004 mortgage loan, we are required to prepay the loan plus applicable prepayment penalties with funds in our acquisition reserve account to the extent such funds are not used to acquire additional qualifying wireless communications sites during the six month period following the closing of the loan.

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.

We are subject to a variety of regulations, including those at the federal, state and local levels. Both the FCC and the FAA regulate towers and other sites used for wireless communications transmitters and receivers. See "Business — Regulatory Matters." In addition, under the FCC's rules, we are fully liable for the acts or omissions of our contractors. We generally indemnify our customers against any failure by us to comply with applicable standards. Our failure to comply with any applicable laws and regulations (including as a result of acts or omissions of our contractors, which may be beyond our control) may lead to monetary forfeitures or other enforcement actions, as well as civil penalties, contractual liability and tort liability and, in some cases, losing our right to conduct some of our business, any of which could have an adverse impact on our business. We also are subject to local regulations and restrictions that typically require tower owners to obtain a permit or other approval from local officials or community standards organizations prior to tower construction or modification. Local regulations could delay or prevent new tower construction or modifications, as well as increase our expenses, any of which could adversely impact our ability to implement or achieve our business objectives.

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.

We are subject to environmental laws and regulations that impose liability, including those without regard to fault. These laws and regulations place responsibility on us to investigate potential environmental and other effects of operations and to disclose any significant effects in an environmental assessment prior to constructing a tower or adding a new customer on a tower. In the event the FCC determines that one of our owned towers would have a significant environmental impact, the FCC would be required to prepare an environmental impact statement. The environmental review process mandated by the National Environmental Policy Act of 1969, or NEPA, can be costly and time consuming and may cause significant delays in the registration of a particular tower. In addition, various environmental interest groups routinely petition the FCC to deny applications to register new towers, further complicating the registration process and increasing potential expenses and delays. In August 2003, the FCC released a Notice of Inquiry requesting comments and information on the potential impact of communications towers on migratory birds. The Notice of Inquiry regarding migratory birds marks the most significant action to date taken by the FCC on the matter and may lead to changes in the FCC's environmental rules. On December 14, 2004, the FCC released a public notice inviting comments on the analysis and report provided by its environmental consultant regarding the relationship of towers and avian mortality. Any changes to FCC rules that come from this proceeding, as well as changes resulting from other potential rulemakings, could delay or prevent new tower construction or modifications as well as increase our expenses related thereto.

In addition to the FCC's environmental regulations, we are subject to environmental laws that may require the investigation and remediation of any contamination at facilities that we own or operate, or that we previously owned or operated, or at third-party waste disposal sites at which our waste materials have been disposed. These laws could impose liability even if we did not know of, or were not responsible for, the contamination. Under these laws, we may also be required to obtain permits from governmental authorities or may be subject to record keeping and reporting obligations. If we violate or fail to comply with these laws, we could be fined or otherwise sanctioned by regulators. The expenses of complying with existing or future environmental laws, responding to petitions filed by environmental interest groups or other activists, investigating and remediating any contaminated real property and resolving any related liability could result in a significant increase in the cost of operating our business, which would harm our profitability. See "Business — Regulatory Matters — Environmental Regulations."

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 real property interests relating to towers primarily consist of leasehold interests, private easements, and permits granted by governmental entities. A loss of these interests for any reason, including losses arising from the bankruptcy of a significant number of our lessors, from the default by a significant number of our lessors under their mortgage financings or from a legal challenge to our interest in the real property, would interfere with our ability to conduct our business and generate revenues. Similarly, if the grantors of these rights elect not to renew our leases, our ability to conduct business and generate revenues could be adversely affected. As of September 30, 2004, we leased 81 parcels of land with a remaining term of two years or less, under 82 owned towers which represented 2.8% of revenues for the nine months ended September 30, 2004.

In addition, we previously made acquisitions and did not always analyze and verify all information regarding title and other issues prior to completing an acquisition of communications sites. Our inability to protect our rights to the land under our towers could interfere with our ability to conduct our business and generate revenues. Generally, we have attempted to protect our rights in the sites by obtaining title insurance on the owned fee sites and the ground lease sites and relying on title warranties and covenants from sellers and landlords.

Our ability to protect our rights against persons claiming superior rights in towers or real property depends on our ability to:

- recover under title insurance policies, the policy limits of which may be less than the purchase price of a particular tower;
- in the absence of title insurance coverage, recover under title warranties given by tower sellers, whose warranties often terminate after the expiration of a specific period (typically one to three years) and are dependent on the general creditworthiness of sellers making the title warranties;
- recover from landlords under title covenants contained in lease agreements, which is dependent on the general creditworthiness of landlords making the title covenants; and
- obtain "non-disturbance agreements" from mortgagees and superior lienholders of the land under our towers.

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.

None of our tenant leases is a net lease. Accordingly, as landlord we are responsible for the maintenance and repair of the sites and for other obligations and liabilities (including for environmental compliance and remediation) associated with the sites, such as the payment of real estate taxes, ground lease rents and the maintenance of insurance. Our failure to perform our obligations under a tenant lease could entitle the related tenant to an abatement of rent or, in some circumstances, result in a termination of the tenant lease. An unscheduled reduction or cessation of payments due under a tenant lease would result in a reduction of our revenues. Similarly, if the expenses of maintaining and operating one or more sites exceeds amounts budgeted, and if lease revenues from other sites are not available to cover the shortfall, amounts that would otherwise be used for other purposes may be required to pay the shortfall.

Site management agreements may be terminated prior to expiration, which may adversely affect our revenues.

Approximately 759 and 819 sites, as of September 30, 2004 and December 31, 2003, respectively (representing approximately 19% and 21% of our revenues for the nine months ended September 30, 2004 and year ended December 31, 2003, respectively), are managed sites where we market and/or sublease space under site management agreements with third party owners. The management agreements or subleases on 250 of these sites, which represented 5.3% of our revenues for the nine months ended September 30, 2004, are month-to-month or will expire by their terms prior to December 31, 2005. In many cases, the site management agreements may be terminated early at the third party owner's discretion or upon the occurrence of certain events (such as the sale of the relevant site by the third party owner, our default, a change of control with respect to our company and other events negotiated with the third party owner including discretionary terminations). If a site management agreement is not renewed or is terminated early, our revenues would be reduced.

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.

Our towers are subject to risks associated with natural disasters, such as ice and wind storms, fire, tornadoes, floods, hurricanes and earthquakes, as well as other unforeseen events. Our sites and any tenants' equipment are also vulnerable to damage from human error, physical or electronic security breaches, power loss, other facility failures, sabotage, vandalism and similar events. In the event of casualty, it is possible that any tenant sustaining damage may assert a claim against us for such damages. If reconstruction (for example, following fire or other casualty) or any major repair or improvement is required to the property, changes in laws and governmental regulations may be applicable and may raise our cost or impair our ability to effect such reconstruction, major repair or improvement.

Since January 1, 2002, 12 of our owned towers have been destroyed by natural disasters, including hurricanes, two have been destroyed in vehicular accidents and two in fire accidents. In addition, as of September 30, 2004 we own, lease and license a large number of towers in geographic areas, including 112

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sites in California, 356 sites in Florida, 136 sites in North Carolina and 170 sites in South Carolina that have historically been subject to natural disasters, such as high winds, hurricanes, floods, earthquakes and severe weather. There can be no assurance that the amount of insurance obtained would be sufficient to cover damages caused by any event, or that such insurance will be commercially available in the future. A tower accident for which we do not have adequate insurance reserves or have no insurance, or a large amount of damage to a group of towers, could decrease the value of our communications sites, result in the loss of revenues while the tower is out of service, and also require us to make unanticipated expenditures in order to repair the damages caused by any event.

In addition, any of these events or other unanticipated problems at one or more of the sites could interrupt tenants' ability to provide their services from the sites. This could damage our reputation, making it difficult to attract new tenants and causing existing tenants to terminate their leases, which in turn would reduce our revenues.

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 safety guidelines for radio frequency emissions from our sites require us to undertake safety measures to protect workers whose activities bring them into proximity with the emitters and to restrict access to our sites by others. If radio frequency emissions from our sites or other equipment used in our tenants' businesses are found, or perceived, to be harmful, we and our customers could face fines imposed by the FCC, private lawsuits claiming damages from these emissions, and increased opposition to our development of new towers. Demand for wireless services and new towers, and thus our business and revenues, may be harmed. Although we have not been subject to any personal injury claims relating to radio frequency emissions, we cannot assure you that these claims will not arise in the future or that they will not negatively impact our business.

Repayment of the principal of our outstanding indebtedness may require additional financing that we cannot assure you will be available to us.

We have historically financed our operations primarily with indebtedness. Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt obligations will continue to depend on our future financial performance. As of September 30, 2004, our long-term debt obligations consisted of $413.8 million outstanding on our February 2004 mortgage loan and $1.0 million outstanding on a capital lease. Of these obligations, $8.1 million is due in less than one year, $17.5 million is due between one and three years and $389.2 million is due between four and five years. In addition, we currently anticipate that in order to pay the principal of our outstanding February 2004 mortgage loan on the anticipated repayment date of January 2009 and the outstanding principal balance of our $293.8 million December 2004 mortgage loan on the repayment date of December 2009, we will likely be required to adopt one or more alternatives, such as refinancing our indebtedness or selling our equity securities or the equity securities or assets of our operating partnership and our subsidiaries. There can be no assurance that we will be able to refinance our indebtedness on attractive terms and conditions or that we will be able to obtain additional debt financing. If we are unable to refinance our indebtedness in full, we may be required to issue additional equity securities or sell assets. If we are required to sell equity securities, investors who purchase our common stock in this offering may be diluted. If we are required to sell interests in our operating partnership, this would have a similar effect as a sale of assets and the market price of our common stock may decline. In addition, there can be no assurance as to the terms and prices at which we will be able to sell additional equity securities or operating partnership interests or that we will be able to sell additional equity securities or sell operating partnership interests. If we are required to sell assets to refinance our indebtedness, there can be no assurance as to the price we will obtain for the assets sold and whether those sales will realize sufficient funds to repay our outstanding indebtedness. To the extent we are required to sell assets at prices lower than their fair market values, the market price of our common stock may decline.

Our mortgage loans restrict the ability of our two largest operating subsidiaries, Pinnacle Towers LLC and its subsidiaries and Pinnacle Towers Acquisition Holdings LLC and its subsidaries, from

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incurring additional indebtedness or further encumbering their assets. In addition, so long as the tangible assets of Pinnacle Towers LLC under the February 2004 mortgage loan represent at least 25% of our assets, it will be an event of default under the February 2004 mortgage loan if Global Signal incurs any unsecured indebtedness for borrowed money without confirmation from the rating agencies that rated the commercial mortgage pass-through certificates that none of the ratings will be adversely affected. Our mortgage loans do not otherwise restrict our ability to obtain additional financing. If we require additional financing in connection with acquisitions, we anticipate being able to raise equity, obtain a credit facility similar to the credit facility we repaid out of the proceeds of our December 2004 mortgage loan or obtain financing through a securitization of acquired sites similar to the ones completed on February 5, 2004 and December 7, 2004. We cannot assure you that we could effect any of the foregoing alternatives on terms satisfactory to us, that any of the foregoing alternatives would enable us to pay the interest or principal of our indebtedness or that any of such alternatives would be permitted by the terms of our credit facility and other indebtedness then in effect.

The terms of our mortgage loans and revolving credit facility 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 existing mortgage loans and revolving credit facility contain, and any future indebtedness of ours or of any of our subsidiaries would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us and/or certain of our subsidiaries, including restrictions on our or our subsidiaries' ability to, among other things:

- incur additional debt, or additional unsecured debt without rating agency approval;
- issue stock;
- create liens;

- make investments, loans and advances;
- engage in sales of assets and subsidiary stock;
- enter into sale-leaseback transactions;
- enter into transactions with our affiliates;
- change the nature of our business; and
- transfer all or substantially all of our assets or enter into certain merger or consolidation transactions.

Our February 2004 and December 2004 mortgage loans contain a covenant providing for reserve accounts if the debt service coverage ratio falls to 1.45 and 1.30 or lower, respectively, as of the end of any calendar quarter. Debt service coverage ratio is defined as the preceding 12 months of net cash flow, as defined in the mortgage loans, divided by the amount of principal and interest payments required under the mortgage loans over the next 12 months. Net cash flow, as defined in the mortgage loans, is approximately equal to gross margin minus capital expenditures made for the purpose of maintaining our sites, minus 10% of revenue. The funds in the respective reserve account will not be released to us unless the debt service coverage ratio exceeds 1.45 and 1.30 times, respectively, for two consecutive calendar quarters. If the debt service coverage ratio falls below 1.20 and 1.15 times, respectively, as of the end of any calendar quarter, then all funds on deposit in the respective reserve account along with future excess cash flows will be applied to prepay the respective mortgage loan. Failure to maintain the debt service ratio above 1.45 and 1.30 times, respectively, would impact our ability to pay our indebtedness other than the mortgage loans, pay dividends and to operate our business.

A failure by us to comply with the covenants or financial ratios contained in our $20.0 million revolving credit facility could result in an event of default under the facility which could adversely affect our ability to respond to changes in our business and manage our operations. In the event of any default under our $20.0 million revolving credit facility, the lenders under the facility will not be required to lend us any additional amounts. Our lenders also could elect to declare all amounts outstanding to be

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immediately due and payable. If the indebtedness under our credit facility were to be accelerated, and we are not able to make the required cash payments, our lenders will have the option of foreclosing on any of the collateral pledged as security for the loan.

Our obligations under the $20.0 million revolving credit facility are secured by a pledge of 65% of the stock of Pinnacle Towers Canada and Pinnacle Towers UK, which as of September 30, 2004, collectively constituted 1.2% of our total assets' book value.

Under both the February 2004 mortgage loan and the December 2004 mortgage loan, if an event of default occurs, the lenders will have the option to foreclose on any of the collateral pledged as security for the respective mortgage loan. The mortgage loans are secured by (1) mortgage liens on our interests (fee, leasehold or easement) in our communications sites, (2) a security interest in substantially all of Pinnacle Towers LLC and its subsidiaries', and Pinnacle Towers Acquisition Holdings LLC and its subsidiaries', personal property and fixtures, including our rights under substantially all of our site management agreements, tenant leases (excluding tenant leases for sites referred to in (1) above) and management agreement with Global Signal Services LLC, or GS Services, and (3) a pledge of certain of our subsidiaries' capital stock (or equivalent equity interests) (including a pledge of the membership interests of Pinnacle Towers LLC, from its direct parent, Global Signal Holdings II LLC and a pledge of the membership interests of Pinnacle Towers Acquisition Holdings LLC, from its direct parent, Global Signal Holdings

III LLC). There can be no assurance that our assets would be sufficient to repay this indebtedness in full.

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.

Our Chief Executive Officer, Wesley R. Edens, is also the Chairman of the Board and Chairman of the Management Committee of Fortress Investment Group LLC and the Chairman of the Board and Chief Executive Officer of Newcastle Investment Corp., a publicly traded real estate securities business, and the Chairman of the Board and Chief Executive Officer of Eurocastle Investment Limited, a publicly traded real estate securities business, listed on the London Stock Exchange. As Chairman of the Management Committee of Fortress Investment Group, he manages and invests in other real estate-related investment vehicles. As a result, he 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.

We intend to operate in a manner so as to qualify as a REIT for federal income tax purposes. Although we do not intend to request a ruling from the Internal Revenue Service as to our REIT status, we expect to receive an opinion of Skadden, Arps, Slate, Meagher & Flom LLP with respect to our qualification as a REIT. This opinion will be issued in connection with this offering of common stock. Investors should be aware, however, that opinions of counsel are not binding on the IRS or any court. The opinion of Skadden, Arps will represent only the view of our counsel based on our counsel's review and analysis of existing law and on certain representations as to factual matters and covenants made by us, including representations relating to the values of our assets, the sources of our income, and the nature, construction, character and intended use of our properties. We have asked Skadden, Arps to assume for purposes of its opinion that any prior legal opinions we received to the effect that we were taxable as a REIT are correct. The opinion of Skadden, Arps, a copy of which will be filed as an exhibit to the registration statement of which this prospectus is a part, will be expressed as of the date issued, and will not cover subsequent periods. The opinions of counsel impose no obligation on them to advise us or the holders of our common stock of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in applicable law.

Furthermore, both the validity of the tax opinions, and our continued qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis, the results of which will not be monitored by tax counsel.

Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and distributions to stockholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our stockholders, which in turn could have an adverse impact on the value of, and trading prices for, our common stock. Unless entitled to relief under certain

Internal Revenue Code provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. See "Federal Income Tax Considerations" for a discussion of material federal income tax consequences relating to us and our common stock.

Dividends payable by REITs generally do not qualify for the reduced tax rates under recently enacted tax legislation.

Recently enacted tax legislation reduces the maximum tax rate for dividends payable to individuals from 38.6% to 15% through 2008. Dividends payable by REITs, however, are generally not eligible for the reduced rates. Although this legislation does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to regular corporate dividends could cause investors who are individuals to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common stock.

In addition, the relative attractiveness of real estate in general may be adversely affected by the newly favorable tax treatment given to corporate dividends, which could affect the value of our real estate assets negatively.

REIT distribution requirements could adversely affect our liquidity.

We generally must distribute annually at least 90% of our net taxable income, excluding any net capital gain, in order for corporate income tax not to apply to earnings that we distribute. We intend to make distributions to our stockholders to comply with the requirements of the Internal Revenue Code. However, 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 of the Internal Revenue Code. Certain types of assets generate substantial mismatches between taxable income and available cash. Such assets include rental real estate that has been financed through financing structures which require some or all of available cash flows to be used to service borrowings. As a result, the requirement to distribute a substantial portion of our taxable income could cause us to: (1) sell assets in adverse market conditions, (2) borrow on unfavorable terms or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt in order to comply with REIT requirements.

Our mortgage loans contain covenants providing for reserve accounts if our debt service coverage ratio falls to 1.45 or 1.30 times or lower for our February 2004 mortgage loan and December 2004 mortgage loan, respectively. If our debt service coverage ratio were to fall to that level and we had net income, as defined by tax regulations, our ability to distribute 90% of our taxable income, and hence our REIT status, could be jeopardized. Further, amounts distributed will not be available to fund our operations.

Prior to our emergence from Chapter 11, we funded our operations primarily through debt and equity capital. Since our emergence from bankruptcy on November 1, 2002, we have funded our operations through operating cash flow. We expect to finance our future operations through operating cash flows and our future acquisitions through debt and equity capital. If we fail to obtain debt or equity capital in the future, it could limit our ability to grow, which could have a material adverse effect on the value of our common stock.

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.

In order for us to maintain our qualification as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code) at any time during the last half of each taxable year after our first year. Our amended and restated certificate of incorporation states that, unless exempted by our board of directors, no person, other than certain of our existing stockholders and subsequent owners of their stock, may own more than 9.9% of the aggregate value of the outstanding shares of any class or series of our stock. Our board may grant such an exemption in its sole discretion, subject to such conditions, representations and undertakings as it may determine. These ownership limits could delay or prevent a transaction or a change in our control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Risks Relating to this Offering

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

As adjusted for this offering, there will be 54,094,581 shares of our common stock outstanding and options and warrants to purchase a total of 4,284,808 shares of common stock, of which warrants to purchase 472,224 shares of common stock have an exercise price of $8.53 and options to purchase 3,812,584 shares of common stock have a weighted average exercise price of $10.87 per share. This includes options to purchase an aggregate of 805,000 shares of common stock with an exercise price per share of $18.00 held by FRIT PINN LLC, an affiliate of Fortress, and Greenhill, or affiliates of such entities. There will be 54,384,581 shares outstanding if the underwriters exercise their overallotment option in full. Of our outstanding shares, all the shares of our common stock sold in this offering and 28,677,983 shares of common stock already outstanding will be freely transferable, except for 17,363,400 shares held by our "affiliates," as that term is defined in Rule 144 under the Securities Act of 1933, as amended ("Securities Act").

Pursuant to our Amended and Restated Investor Agreement, Fortress Pinnacle Acquisition LLC and its affiliates, Greenhill Capital Partners, L.P. and its related partnerships and Abrams Capital Partners II, L.P. and its related partnerships have the right to require us to register their shares of our common stock under the Securities Act for sale into the public markets. Upon the effectiveness of such a registration statement, all shares covered by the registration statement will be freely transferable.

We and our executive officers, directors and each of our stockholders holding 10% or more of our outstanding common stock have agreed with the underwriters that, subject to certain exceptions, including the exception for Fortress Investment Holdings LLC, or Fortress Holdings, discussed below, for a period of 90 days after the date of this prospectus, we and they will not directly or indirectly offer, pledge, sell, contract to sell, sell any option or contract to purchase or otherwise dispose of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, or in any manner transfer all or a portion of the economic consequences associated with the ownership of shares of common stock, or cause a registration statement covering any shares of common stock to be filed, without the prior written consent of the representatives. The representatives may waive these restrictions at their discretion. It is contemplated that the lock-up agreement with our largest stockholder, Fortress Holdings, will contain an exception to allow the lenders under the credit facility described under "Certain Relationships and Related Party Transactions — Pledge Shelf Registration Statement" to dispose of the shares pledged under the credit agreement or to seize the pledged shares in the event of a default.

In addition, following the completion of our initial public offering, we filed a registration statement on Form S-8 under the Securities Act registering an aggregate of 6,476,911 shares of our common stock reserved for issuance under our stock incentive programs. Subject to the exercise of issued and outstanding options, shares registered under the registration statement on Form S-8 are available for sale into the public markets.

The market price of our stock could be negatively affected by sales of substantial amounts of our common stock if our largest stockholder defaults under a credit agreement secured by its shares of our common stock.

Fortress Investment Holdings LLC, or Fortress Holdings, our largest stockholder, informed us of the following:

An affiliate of Fortress Holdings entered into a credit agreement, dated as of December 21, 2004, with Bank of America, N.A., Morgan Stanley Asset Funding Inc., the other lenders that may become parties thereto and Banc of America Securities LLC. Pursuant to the credit agreement, the affiliate has borrowed $160.0 million from the lenders thereunder and this amount has been secured by a pledge by the affiliate of a total of 19,162,248 shares of our common stock owned by such affiliate. The term of the credit agreement is 18 months. The 19,162,248 shares of common stock represents approximately 37% of our issued and outstanding common stock as of December 21, 2004.

The credit agreement contains representations, covenants and default provisions, relating to Fortress Holdings, such affiliate and our company and also requires prepayment of a portion of the borrowings by the affiliate in the event the trading price of our common stock decreases below $16.70 and prepayment or payment in full at prices below certain other lower specified levels. In the event of a default under the credit agreement by the affiliate, the lenders may foreclose upon and sell any and all shares of common stock pledged to them. The affiliate has agreed in the credit agreement to exercise its right to cause us to file a shelf registration statement pursuant to the Amended and Restated Investor Agreement dated as of March 31, 2004 among us, Fortress Pinnacle Acquisition LLC, Greenhill Capital Partners, L.P., and its related partnerships named therein, and Abrams Capital Partners II, L.P. and certain of its related partnerships named therein, and other parties named therein. The registration statement will cover sales by the lenders of shares of the pledged common stock in the event of a foreclosure by any of them and is required to be filed by June 6, 2005 pursuant to the credit agreement.

We are not a party to the credit agreement and have not made any representations or covenants and have no obligations thereunder. Mr. Wesley Edens, our Chief Executive Officer and Chairman of our board of directors owns an interest in Fortress Holdings and is the Chairman of its Management Committee.

The issuance of additional stock in connection with acquisitions or otherwise will dilute all other stockholdings.

After this offering, assuming the exercise in full by the underwriters of their overallotment option, we will have an aggregate of 88,990,000 shares of common stock authorized but unissued and not reserved for issuance under our option plans or under outstanding warrants. We may issue all of these shares without any action or approval by our stockholders. We intend to continue to actively pursue strategic acquisitions of wireless communications towers and other communications sites. We may pay for such acquisitions, at least partly, through the issuance of partnership units in our operating partnership which may be redeemed for shares of our common stock, or by the issuance of additional equity. Any shares issued in connection with our acquisitions, including the issuance of common stock upon the redemption of operating partnership units, the exercise of outstanding warrants or stock options or otherwise would dilute the percentage ownership held by the investors who purchase our shares in this offering.

The price of our common stock may fluctuate substantially, which could negatively affect us and the holders of our common stock.

The trading price of our common stock may be volatile in response to a number of factors, many of which are beyond our control including:

- a decrease in the demand for our communications sites;

- the economies, real estate markets and wireless communications industry in the regions where our sites are located;
- consolidation in the wireless industry;

- the creditworthiness of our tenants; and
- fluctuations in interest rates.

In addition, our financial results may be below the expectations of securities analysts and investors. If this were to occur, the market price of our common stock could decrease, perhaps significantly. Any volatility of or a significant decrease in the market price of our common stock could also negatively affect our ability to make acquisitions using our common stock as consideration. In addition, the U.S. securities markets, and telecommunications stocks in particular, have experienced significant price and volume fluctuations. These fluctuations often have been unrelated to the operating performance of companies in these markets. Broad market and industry factors may negatively affect the price of our common stock, regardless of our operating performance. You may not be able to sell your shares at or above the public offering price, or at all. Further, if we were to be the object of securities class action litigation as a result of volatility in our common stock price or for other reasons, it could result in substantial expenses and diversion of our management's attention and resources, which could negatively affect our financial results. In addition, if we decide to settle any class action litigation against us, our decision to settle may not necessarily be related to the merits of the claim.

Investors in this offering will suffer immediate and substantial dilution.

The public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock outstanding immediately after this offering. Our net tangible book value per share as of September 30, 2004 was approximately $0.70 and represents the amount of our stockholders' equity of $174.3 million minus intangible assets of $124.6 million and deferred finance expenses of $14.4 million, divided by the 50,657,601 shares of our common stock that were outstanding on September 30, 2004. Our net book value per share of $3.44 as of September 30, 2004 represents the amount of our stockholders' equity of $174.3 million divided by the 50,657,601 shares of common stock that were outstanding on September 30, 2004.

Investors who purchase our common stock in this offering will pay a price per share that substantially exceeds the net tangible book value per share of our common stock. If you purchase our common stock in this offering, you will experience immediate and substantial dilution of $ in the net tangible book value per share of our common stock based on an assumed offering price of $ per share. Our net tangible book value per share on a pro forma as adjusted basis at September 30, 2004 was approximately and represents the amount of our stockholders' equity of $244.4 million minus intangible assets of $150.5 million and deferred finance expenses of $19.0 million, divided by the 54,094,581 shares of our common stock outstanding after giving effect to this offering. Additional dilution will occur upon the exercise of outstanding options and warrants. See the pro forma condensed consolidated balance sheet included elsewhere in this prospectus.

As part of our reorganization, we issued warrants to purchase 1,229,850 shares of our common stock, of which warrants to purchase 472,224 shares of our common stock, as of December 17, 2004, were outstanding and exercisable through October 31, 2007, at an exercise price of $8.53 per share. These warrants were issued in connection with the cancellation of the 5 1/2% convertible subordinated notes due 2007, and with the receipt of certain releases given by former stockholders as part of our reorganization and by plaintiffs in the settlement of a stockholder class action suit. The issuance of these shares will have a dilutive effect on the value of our common stock when these warrants are exercised.

ERISA may restrict investments by Plans in our common stock.

A plan fiduciary considering an investment in our common stock should consider, among other things, whether such an investment might constitute or give rise to a prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code or any substantially similar federal, state or local law and whether an exemption from such prohibited transaction rules is available. See "ERISA Considerations."

Our authorized but unissued common and preferred stock may prevent a change in our control.

Our amended and restated certificate of incorporation authorizes us to issue additional authorized, but unissued shares of our common stock or preferred stock. In addition, our board of directors may

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classify or reclassify any unissued shares of our preferred stock and may set the preferences, rights and other terms of the classified or reclassified shares. As a result, our board may establish a series of preferred stock that could delay or prevent a transaction or a change in control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Anti-takeover provisions in our amended and restated certificate of incorporation could have effects that conflict with the interests of our stockholders.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for a third party to acquire control of us or for us to acquire control of a third party even if such a change in control would be beneficial to you.

We have a number of anti-takeover devices in place that will hinder takeover attempts and could reduce the market value of our common stock. Our anti-takeover provisions include:

- a staggered board of directors;
- removal of directors only for cause, by 80% of the voting interest of stockholders entitled to vote;
- blank-check preferred stock;
- a provision denying stockholders the ability to call special meetings with the exception of Fortress Pinnacle Acquisition LLC, FRIT PINN LLC, Fortress Pinnacle Investment Fund LLC, Greenhill Capital Partners, L.P. and their respective affiliates, so long as they collectively beneficially own at least 50% of our issued and outstanding common stock;
- our amended and restated certificate of incorporation provides that Global Signal has opted out of the provisions of Section 203 of the Delaware General Corporation Law. Section 203 restricts certain business combinations with interested stockholders in certain situations; and
- advance notice requirements by stockholders for director nominations and actions to be taken at annual meetings.

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 current dividend level depends both on our earnings from existing operations and our ability to invest our capital to achieve targeted returns.

We intend to pay quarterly dividends and to make distributions to our stockholders in amounts such that all or substantially all of our taxable income in each year, subject to certain adjustments, is distributed. We have not established a minimum dividend payment level, and our ability to pay dividends may be adversely affected by the risk factors described in this prospectus. All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, maintenance of our REIT status and such other factors as our board of directors may deem relevant from time to time. There are no assurances of our ability to pay dividends in the future. In addition, some of our distributions may include a return of capital.

While we have not established a formal dividend policy, to date we have paid quarterly dividends based on our cash flow from operations, less capital expenditure, after consideration of pending acquisitions of communications sites with the cash raised in our mortgage loans and equity financings. As of December 17, 2004, we have $85.5 million remaining in a site acquisition reserve account established as part of our December 2004 mortgage loan pending its investment in qualified communications sites. In addition, as part of this offering, we expect to issue 2,900,000 shares (3,190,000 shares if the underwriters exercise the over allotment option) to raise approximately $ million ($ million if the underwriters exercise the over allotment option) of additional capital. Our ability to continue to pay dividends at current levels will depend, among other things, on our ability to invest amounts held in the site acquisition reserve account, as well as the capital raised in this offering, at returns similar to the acquisitions we have closed to date.

Global Signal Inc. is a holding company with no material direct operations.

Global Signal Inc. is a holding company with no material direct operations. Its principal assets are the equity interests it holds in its operating subsidiaries. In addition, we own substantially all of our assets and

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conduct substantially all of our operations through Global Signal OP. As a result, Global Signal Inc. is dependent on loans, dividends and other payments from its subsidiaries and from Global Signal OP to generate the funds necessary to meet its financial obligations and pay dividends. Global Signal Inc.'s subsidiaries and Global Signal OP are legally distinct from Global Signal Inc. and have no obligation to make funds available to it.

Your ability to influence corporate matters may be limited because a small number of stockholders beneficially own a substantial amount of our common stock.

After giving effect to the offering, assuming no exercise by the underwriters of their overallotment option, affiliates of Fortress will beneficially own approximately 25.4 million shares, or 46.5%, of our common stock, Greenhill will beneficially own approximately 8.6 million shares, or 15.8%, of our common stock and affiliates of Abrams Capital, LLC will beneficially own approximately 5.6 million shares, or 10.3% of our common stock. Three of our directors are associated with these stockholders. As a result, Fortress, Greenhill, and Abrams Capital, LLC could exert significant influence over our management and policies and may have interests that are different from yours and may vote in a way with which you disagree and which may be adverse to your interests. In addition, this concentration of ownership may have the effect of preventing, discouraging or deferring a change of control, which could depress the market price 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.

Any indebtedness we incur under our $20.0 million revolving credit facility bears interest at floating rates, based on either LIBOR or the bank's base rate. Accordingly, an increase in the bank's base rate or LIBOR could lead to an increase in our interest expense which could have an adverse effect on our results of operations and financial condition. We may incur additional floating rate indebtedness from time to time. In addition, any increase in interest rates also would increase the cost of any new fixed rate borrowings.

Our fiduciary obligations to Global Signal OP may conflict with the interests of our stockholders.

Our wholly owned subsidiary Global Signal GP LLC, as the managing general partner of Global Signal OP, may have fiduciary obligations in the future to the limited partners of Global Signal OP, the discharge of which may conflict with the interests of our stockholders. Unless otherwise provided for in the relevant partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of good faith, fairness and loyalty and which generally prohibits such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. For example, if Global Signal GP LLC has a need for liquidity, the timing of a distribution from Global Signal GP LLC to Global Signal Inc. may be a decision that presents such a conflict. The limited partners of Global Signal OP will have the right, beginning one year after they contribute property to the partnership, to cause Global Signal OP to redeem their limited partnership units for cash or shares of our common stock. As managing partner, Global Signal GP LLC's decision as to whether to exchange units for cash or shares of our common stock may conflict with the interest of our common stockholders.

Future limited partners of Global Signal OP may exercise their voting rights in a manner that conflicts with the interests of our stockholders.

Currently, Global Signal OP does not have any limited partners not owned by Global Signal. In the future, those persons holding units of Global Signal OP, as limited partners, have the right to vote as a class on certain amendments to the operating partnership agreement and individually to approve certain amendments that would adversely affect their rights, which voting rights may be exercised by future limited partners in a manner that conflicts with the interests of those investors who acquire our common stock in this offering.

CAUTIONARY STATEMENT REGARDING
FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements which are subject to various risks and uncertainties, including without limitation, statements relating to our ability to deploy capital, close accretive acquisitions, close acquisitions under letters of intent, pay or grow dividends, generate growth organically or through acquisitions, secure financing, and increase revenues, earnings, adjusted EBITDA and/or AFFO and add telephony tenants. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue" or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to, a decrease in the demand for our communications sites, our continued ability to acquire new towers at attractive prices which will generate returns consistent with expectations, the possibility that the towers that we have acquired and will acquire may not generate sufficient additional income to justify their acquisition, possibilities that conditions to closing of transactions will not be satisfied, our ability to close on towers under non-binding letters of intent which is generally less probable than closing on towers under definitive agreements, the economies, real estate markets and wireless communication industry in the regions where our sites are located, consolidation in the wireless industry, the creditworthiness of our tenants, competing technologies, our failure to comply with federal, state and local laws and regulations, the failure to comply with environmental laws, possibilities that changes in the capital markets, including changes in interest rates and/or credit spreads, or other factors could make financing more expensive or unavailable to us, our ability to qualify as a REIT, REIT distributions requirements and the stock ownership limit imposed by the Internal Revenue Code for REITs. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management's views as of the date of this prospectus. The "Risk Factors" and other factors noted throughout this prospectus could cause our actual results to differ significantly from those contained in any forward-looking statement. For a discussion of our critical accounting policies see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates."

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this prospectus to conform these statements to actual results.

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USE OF PROCEEDS

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

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

- Approximately $59.0 million to finance the acquisition of 233 communications sites for which we have currently signed non-binding letters of intent. These towers are located in Alabama, Arkansas, Florida, Georgia, Illinois, Louisiana, Michigan, Mississippi, New Hampshire, South Carolina, Tennessee, Texas and Vermont. We are seeking to complete our due diligence and negotiate purchase agreements for these sites. Acquisitions of communications sites subject to letters of intent are less likely to be consummated than those subject to definitive purchase agreements. In the event we are unable to acquire these sites we intend to use the proceeds from this offering for other acquisitions or general corporate purposes.
- Approximately $ million used for working capital and other general corporate purposes, which may include future acquisitions.

Pending these uses, we intend to invest 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 or to repay indebtedness under our revolving credit facility with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, if any such indebtedness is outstanding.

MARKET PRICE FOR COMMON STOCK AND DISTRIBUTION POLICY

In general, we will not pay a corporate-level income tax on our earnings to the extent we distribute our earnings to our stockholders. In order to satisfy the REIT requirements, we must distribute to our stockholders an amount at least equal to (1) 90% of our REIT taxable income (determined before the deduction for dividends paid and excluding any net capital gain) plus (2) 90% of the excess of our net income from foreclosure property (as defined in Section 856 of the Internal Revenue Code) over the tax imposed on such income by the Internal Revenue Code less (3) any excess non-cash income (as determined under the Internal Revenue Code). See "Federal Income Tax Considerations." We have already satisfied our REIT distribution requirement for 2004 through payment of our February 5, 2004 special distribution and the ordinary dividends paid so far in 2004 described below. The actual amount and timing of future distributions, however, will be at the discretion of our board of directors and will depend upon our financial condition in addition to the requirements of 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 requirements. In addition, Global Signal is a holding company with no material direct operations and depends on loans, dividends and other payments from its subsidiaries and will be dependent on loans and distributions from Global Signal OP to generate the funds necessary to pay dividends. Global Signal's subsidiaries and Global Signal OP are legally distinct from Global Signal and have no obligation to make funds available to it.

On December 13, 2004, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ending December 31, 2004, payable on January 20, 2005, to stockholders of record as of January 7, 2005. The portion of this dividend, which exceeds our accumulated earnings as of December 31, 2004, will represent a return of our stockholders' capital. Purchasers of shares of common stock in this offering will not be entitled to this dividend. For the three months ended September 30, 2004, we paid an ordinary dividend of $0.375 per share of our common stock, or an aggregate of $19.1 million, of which $12.8 million represented a return of our stockholders' capital, which was paid on October 20, 2004, to stockholders of record as of October 8, 2004. On July 20, 2004, we paid an additional ordinary dividend of $0.103 per share of our common stock, or an aggregate of $5.2 million, of which $3.9 million represented a return of capital, to stockholders of record as of July 6, 2004, for the period from June 1, 2004 through June 30, 2004. On June 14, 2004, we paid an ordinary dividend of $0.2095 per share of our

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common stock, or an aggregate of $8.8 million, of which $5.0 million represented a return on our stockholders' capital, of our common stock for the period of April 1, 2004 through May 31, 2004. On April 22, 2004, we paid an 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 our stockholders' capital, for the three months ended March 31, 2004. 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. The special distribution was funded with a portion of the proceeds from our February 2004 mortgage loan. Also, on February 5, 2004, we paid an ordinary dividend of $0.3125 per share of our common stock, or an aggregate of $12.8 million, to all of our stockholders for the three months ended December 31, 2003. We intend to continue to make regular quarterly distributions to the holders of our common stock. Distributions, including distributions 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.

It is anticipated that distributions generally will be either (1) taxable as ordinary income, (2) a non-taxable return of capital, (3) taxable as a long-term capital gain, or (4) to the extent attributable from our taxable REIT subsidiaries, taxable as qualified dividends eligible for the 15% maximum federal income tax rate for individuals. We will furnish annually to each of our stockholders a statement setting forth distributions paid during the preceding year and their federal income tax status. For a discussion of the federal income tax treatment of distributions by us, see "Federal Income Tax Considerations — Taxation of Global Signal" and "— Taxation of Stockholders."

Our ordinary shares began publicly trading on June 3, 2004 on the NYSE under the symbol "GSL." Prior to that time, there was no trading market for our ordinary shares. The following table sets forth, for the fiscal quarters and periods indicated, the high and low sales prices per ordinary share as reported on the NYSE since our initial public offering on June 3, 2004:

2004	High	Low
From June 3, 2004 through June 30, 2004	$ 23.40	$ 20.00
Third quarter	$ 24.00	$ 19.80
Fourth quarter (through December 21, 2004)	$ 29.80	$ 22.50

On December 21, 2004, the closing price of our common stock as reported on the NYSE was $27.00 per share. As of December 21, 2004, there were 127 record holders of our common stock and 59 record holders of warrants currently exercisable for shares of our common stock.

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CAPITALIZATION

The following table sets forth our consolidated capitalization as of September 30, 2004 on (i) an actual basis and (ii) pro forma as adjusted to give effect to (a) the issuance of the December 2004 mortgage loan and the application of the net proceeds therefrom, (b) the Foresite, Milestone, Lattice, Didier Communications, Towers of Texas, Selectel Midwest, and Highland Towers acquisitions, and (c) the sale of 2,900,000 shares of our common stock offered by us in this offering at an assumed public offering price of per share, less assumed underwriting discounts, commissions and estimated offering expenses payable by us and the use of the proceeds as described under "Use of Proceeds."

	As of September 30, 2004	
	Actual	Pro Forma As Adjusted
	(in thousands)	
Cash and cash equivalents (1)	$ 31,816	
Current portion of long-term debt	$ 8,083	
Long-term debt	406,730	
Stockholders' equity:		
		—

Preferred stock, $0.01 par value: 20 million shares authorized; no shares issued and outstanding on an actual and pro forma as adjusted basis		
Common stock, $0.01 par value: 150 million shares authorized on an actual and on a pro forma as adjusted basis; 50.7 million shares issued and outstanding on an actual and 53.6 million shares issued and outstanding on a pro forma as adjusted basis (2)		507
Additional paid-in capital		176,355
Accumulated other comprehensive loss		(2,521)
Retained earnings		—
Total stockholders' equity		174,341
Total capitalization	$	589,154

(1)Excludes (i) on an actual basis $23.7 million of restricted cash related to amounts held in escrow pending the closing of certain acquisitions, and amounts held in imposition and insurance reserves in connection with our February 2004 mortgage loan (ii) on a pro forma as adjusted basis, $ million of restricted cash related to (a) amounts held in escrow for the sellers pending the closing of certain acquisitions, (b) amounts held in imposition and insurance reserves in connection with our February 2004 and December 2004 mortgage loans and (c) amounts held in the site acquisition reserve account in connection with the December 2004 mortgage loan to fund the purchase price of future qualifying acquisitions.

(2)The common stock outstanding as of September 30, 2004 as shown excludes (i) 2,296,674 shares of common stock available for future issuance under our stock option plan, (ii) 3,928,184 shares of common stock issuable under outstanding options granted under our stock option plan, and (iii) 476,454 shares of common stock issuable under then outstanding warrants.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected historical consolidated financial and other data. The balance sheet data as of December 31, 1999, 2000, 2001, 2002 and 2003 and the statements of operations and cash flows data for the years ended December 31, 1999, 2000, 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 September 30, 2003 and 2004 and the statements of operations and cash flows for the nine months ended September 30, 2003 and 2004, are derived from our unaudited condensed consolidated interim financial statements.

The pro forma as adjusted statement of operations data reflects (i) the issuance of the February 2004 mortgage loan of $418.0 million and the application of the February 2004 mortgage loan net proceeds, (ii) the initial public offering of 8,050,000 shares of our common stock at an offering price of $18.00 per share of common stock, and the application of the net proceeds therefrom including a portion to fund the Tower Ventures acquisition, (iii) seven other acquisitions: Foresite, Milestone, Lattice, Didier Communications, Towers of Texas, Selectel Midwest and Highland Towers, all of which have been consummated or are currently subject to definitive purchase agreements, (iv) the issuance of the December 2004 mortgage loan of $293.8 million and the application of the net proceeds therefrom and (v) this offering of 2,900,000 shares of common stock at an assumed offering price of $ per share, the closing price of our shares of common stock on , and the application of the net proceeds therefrom, 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, respectively. The pro forma as adjusted balance sheet data as of September 30, 2004 reflects this offering, the December 2004 mortgage loan issuance and the Milestone, Lattice, Didier Communications, Towers of Texas, Selectel Midwest and Highland Towers acquisitions as if they had occurred on September 30, 2004. We have consummated other tower acquisitions and have executed definitive agreements to acquire additional towers which are not included in these pro forma financial statements since they do not meet the applicable criteria of Regulation S-X of the Securities and Exchange Commission. Certain of the items considered in pro forma adjustments to the statements of operations, are not reflected as adjustments to the pro forma balance sheet, because they are already reflected in the historical balance sheet as of September 30, 2004.

On November 1, 2002, we emerged from Chapter 11. In accordance with AICPA Statement of Position 90-7 Financial Reporting by Entities in Reorganization Under the Bankruptcy Code ("SOP 90-7"), we adopted fresh start accounting as of November 1, 2002 and our emergence from Chapter 11 resulted in a new reporting entity. Under fresh start accounting, the reorganization value of the entity is allocated to the entity's assets based on fair values, and liabilities are stated at the present value of amounts to be paid determined at appropriate current interest rates. The effective date is considered to be the close of business on November 1, 2002, for financial reporting purposes. The periods presented prior to November 1, 2002, have been designated "predecessor company" and the periods starting on November 1, 2002, have been designated "successor company." As a result of the implementation of fresh start accounting as of November 1, 2002, our financial statements after that date are not comparable to our financial statements for prior periods because of the differences in the basis of accounting and the debt and equity structure for the predecessor company and the successor company. The more significant effects of the differences in the basis of accounting on the successor company's financial statements are (1) lower depreciation and amortization expense as a result of the revaluation of our long-lived assets downward by $357.2 million through the application of fresh start accounting, and (2) lower interest expense as a result of the discharge of $404.8 million of debt upon our emergence from bankruptcy.

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 financial statements, our condensed consolidated interim financial statements, our pro forma condensed consolidated financial statements, Tower Ventures', Foresite's, Milestone's, Selectel Midwest's, Lattice's, Didier Communications', Towers of Texas' and Highland Towers' statements of revenue and certain expenses, and each of their related notes included elsewhere in this prospectus.

Selected Historical Consolidated Financial Information

	Predecessor Company				Successor Company					
	Year Ended December 31,			Ten Months Ended October 31,	Two Months Ended December 31,	Year Ended December 31, 2003		Nine Months Ended September 30,	Nine Mor Ended September 2004	
							Pro Forma As			Pr
	1999	2000	2001	2002	2002	Historical	Adjusted	2003	Historical	A
	(in thousands, except per share data)									

nt of Operations Data

	$ 81,461	$ 163,482	$ 178,020	$140,646	$28,285	$ 169,233	$189,400	$124,946	$134,125	$1
e operating (excluding ent losses, ion, ion and expense)	24,443	57,748	67,259	48,060	9,361	56,343	61,383	41,186	41,290	
rgin	57,018	105,734	110,761	92,586	18,924	112,890	128,017	83,760	92,835	1
penses:										
eneral and ative	16,502	54,052	47,898	27,496	4,818	26,926	26,926	19,727	18,035	
chise, d minimum	1,107	1,184	1,877	1,671	331	848	848	625	500	
tion, ion and (2)	55,886	112,510	119,337	74,175	7,512	44,496	58,600	33,528	37,164	
stock based ation	—	—	—	—	—	1,479	1,479	592	3,440	
ent loss on d for sale	—	—	46,592	1,018	—	—	—	—	—	
ent loss on d for use	—	—	246,780	4,541	—	—	—	—	—	
zation	—	—	—	59,124	—	—	—	—	—	
sful debt ring	—	—	1,702	—	—	—	—	—	—	
rating	73,495	167,746	464,186	168,025	12,661	73,749	87,853	54,472	59,139	
g income	(16,477)	(62,012)	(353,425)	(75,439)	6,263	39,141	40,164	29,288	33,696	
s) on hment of	—	—	—	404,838	—	—	(8,838)	—	(8,449)	
xpense, net	(46,661)	(65,707)	(88,731)	(45,720)	(3,989)	(20,352)	(39,596)	(15,832)	(19,294)	(
ome)	(2,930)	(163)	113	533	(136)	(16)	(16)	24	84	
ax (expense)	—	575	6,630	5,195	(19)	665	665	326	(324)	
oss) from g operations	(66,068)	(127,307)	(435,413)	289,407	2,119	19,438	$ (7,621)	13,806	5,713	$
oss) from ued s	2,045	3,012	(7,145)	(33,157)	(66)	(1,100)		171	7	
oss) before) on sale of s	(64,023)	(124,295)	(442,558)	256,250	2,053	18,338		13,977	5,720	

s) on sale of s	—	—	(5,644)	(78)	(2)	(302)		(20)	119	
ne (loss)	$ (64,023)	$ (124,295)	$ (448,202)	$256,172	$ 2,051	$ 18,036		$ 13,957	$ 5,839	
ne (loss) e to lers	$ (64,023)	$ (124,295)	$ (448,202)	$256,172	$ 2,051	$ 18,036		$ 13,957	$ 5,839	
oss) from g operations (basic) (3)	$ (2.02)	$ (2.65)	$ (8.99)	$ 5.95	$ 0.05	$ 0.47		$ 0.34	$ 0.13	
oss) from g operations (diluted)	$ (2.02)	$ (2.65)	$ (8.99)	$ 5.95	$ 0.05	$ 0.47		$ 0.34	$ 0.12	
ne (loss) per sic)	$ (1.96)	$ (2.59)	$ (9.25)	$ 5.27	$ 0.05	$ 0.44	$ (0.15)	$ 0.34	$ 0.13	$
ne (loss) per uted)	$ (1.96)	$ (2.59)	$ (9.25)	$ 5.27	$ 0.05	$ 0.44	$ (0.15)	$ 0.34	$ 0.12	$
cash s declared of common	$ —	$ —	$ —	$ —	$ —	$ —		$ —	$ 0.70	
ash on declared	$ —	$ —	$ —	$ —	$ —	$ —		$ —	$ 3.47	
l average common standing	32,588	47,918	48,431	48,573	41,000	41,000	51,950	41,000	45,395	

	Predecessor Company				Successor Company					
	Year Ended December 31,			Ten Months Ended October 31,	Two Months Ended December 31,	Year Ended December 31, 2003		Nine Months Ended September 30,	Nine Month Ended September 3 2004	
	1999	2000	2001	2002	2002	Historical	Pro Forma As Adjusted	2003	Historical	For Ad
	(in thousands, except per share data)									
ted average of common utstanding d)	32,588	47,918	48,431	48,573	41,000	41,112	52,062	41,000	48,246	5
ent of Cash Data:										

sh provided by ng activities	$ 22,385	$ 15,542	$ 27,125	$ 20,869	$ 7,193	$ 59,218	$	$ 46,544	$ 59,511	$
sh used in ng activities	(549,492)	(473,730)	(27,184)	(3,920)	(727)	(36,181)		(4,064)	(125,368)	
sh provided by n) financing es	608,418	407,692	(31,687)	(22,102)	(9,626)	(17,840)		(37,933)	88,777	
ses of property uipment	36,392	59,993	28,787	9,273	762	8,544		6,143	7,433	

	Predecessor Company			Successor Company				
							September 30, 2004	
Balance Sheet Data:	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	September 30, 2003	Historical	Pro Forma As Adjusted
	(in thousands, except per share data)							
Cash and cash equivalents	$ 94,863	$ 44,233	$ 13,187	$ 4,350	$ 9,661	$ 9,222	$ 31,816	$
Total assets	1,130,504	1,469,607	1,034,333	530,645	525,040	500,153	645,111	
Total long-term obligations, less current portion	713,169	883,792	9,274	263,344	263,153	223,330	413,331	
Total stockholders' equity	$ 374,226	$ 534,103	$ 83,798	$ 207,377	$ 225,453	$ 221,843	$ 174,341	$

(1) During the ten months ended October 31, 2002, the two months ended December 31, 2002, the year ended December 31, 2003 and the nine months ended September 30, 2003 and 2004, we disposed of, or held for disposal by sale, certain non-core assets and under performing sites which have been accounted for as discontinued operations. Their results for all periods presented are not included in results from continuing operations.

(2) Depreciation, amortization and accretion expense for the ten months ended October 31, 2002 and the two months ended December 31, 2002 are not proportional because the successor company's depreciable assets have a lower basis. Following the restructuring transaction, assets were revalued, including all long-lived assets, to their fair market value, thereby lowering the depreciable basis.

(3) Pro forma as adjusted net income (loss) per share (basic and diluted) represents amounts from continuing operations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with "Selected Historical Consolidated Financial Information" and our consolidated financial statements included elsewhere in this prospectus. Some of the statements in the following discussion are forward-looking statements which include numerous risks and uncertainties as described in "Cautionary Statement Regarding Forward-Looking Statements" and in "Risk Factors." For purposes of this discussion, "2003" refers to the year ended December 31, 2003, and "2001" refers to the year ended December 31, 2001.

Executive Overview

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. Our strategy is to grow our adjusted EBITDA and adjusted Funds From Operations (1) organically by adding additional tenants to our towers, (2) by acquiring towers with existing telephony tenants in locations where we believe there are opportunities for organic growth and (3) by financing these newly acquired towers, on a long term basis, using equity combined with low-cost fixed-rate debt obtained through the issuance of mortgage-backed securities. Through this strategy we will seek to increase our dividend per share over time. On December 13, 2004, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ending December 31, 2004, which represents a 6.7% increase over the $0.375 per share dividend paid for the three months ended September 30, 2004 and a 28% increase over the $0.3125 per share dividend paid for the three months ended June 30, 2004. The $0.40 per share dividend is payable on January 20, 2005 to stockholders of record as of January 7, 2005.

We are organized and conduct our operations to qualify as a REIT for federal income tax purposes. As such, we will generally not be subject to federal income tax on that portion of our income that is distributed to our stockholders if we distribute at least 90% of our REIT taxable income to our stockholders and comply with various other requirements. We also have certain subsidiaries that are not qualified REIT subsidiaries and, therefore, their operations will be subject to federal income tax. Since May 12, 2004, we own substantially all of our assets and conduct substantially all of 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. 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.

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 September 30, 2004, we had an aggregate of more than 12,000 leases on our communications sites with over 2,000 customers. The average number of tenants on our owned towers, as of September 30, 2004, was 4.0 tenants, which included an average of 1.4 wireless telephony tenants. Our revenue from wireless telephony tenants has increased from 40.6% of our total revenues for the month of December 2003 to 45.8% of our total revenues for the month of September 2004. Over the past ten years, new wireless technologies, devices and applications have become more advanced and broadly utilized by wireless subscribers. As new technologies, devices and applications have developed, new networks have been deployed to support the more advanced applications and the growth in the number of wireless subscribers while more mature technologies, such as paging, have experienced shrinking subscriber bases and network contraction. Some of the key indicators that we regularly monitor to evaluate growth trends affecting wireless technology usage are the growth or contraction of a particular technology's wireless subscribers and the usage as measured in minutes of use or network capacity utilization.

The material opportunities, challenges and risks of our business have changed significantly over the past two years. More recently, concurrent with an increased focus on improving network quality, many of our wireless customers have experienced a general improvement in their overall financial condition. This has resulted in an increase in these customers' abilities to invest in their networks and a related increase in our telephony tenant base. During 2003 and the first nine months of 2004, the demand by wireless telephony service providers for our communications sites increased compared to the demand we experienced during 2002 and 2001. Our growth will be primarily affected by the future demand for communications sites by wireless telephony service providers, paging service providers and government agencies. The demand for communications site space by wireless telephony service providers will be driven by growth in their subscribers' utilization of wireless telephony services, including utilization of their networks for data services.

Demand could also be affected by carrier consolidation, because consolidation could result in duplicative coverage and excess network capacity. On October 26, 2004, Cingular merged with AT&T Wireless, which could adversely impact tenant lease revenues at some of our communications sites. For example, as of September 30, 2004, 142 of our sites are occupied by both Cingular and AT&T Wireless and the combined revenues from AT&T Wireless and Cingular on these sites was approximately $4.9 million for the nine months ended September 30, 2004. These tenants may also be located on nearby communications towers owned by our competitors. On November 16, 2004, Arch Wireless merged with Metrocall Holdings, Inc., our largest and sixth largest customer, respectively, by revenues for the nine months ended September 30, 2004, to form USA Mobility, Inc. Both customers offer paging services throughout the United States and consequently will have duplicate coverage in most markets. In addition, on December 15, 2004, Sprint, our eighth largest customer by revenues for the nine months ended September 30, 2004, announced it agreed to merge with Nextel, our second largest customer by revenues for the nine months ended September 30, 2004. As of September 30, 2004, 149 of our sites are occupied by both Sprint and Nextel and the combined revenues from Sprint and Nextel on these sites was approximately $5.2 million for the nine months ended September 30, 2004. These tenants may also be located on nearby communications towers owned by our competitors. As a result, network consolidation by these tenants could adversely impact tenant lease revenues at some of our sites. Lastly, the demand for communications site space by government entities will be driven by the agencies' demand for new digital networks and the ability to communicate with other government agencies as well as their ability to gain funding for such networks.

Since our reorganization, we have installed a new management team, reengineered our business processes and reduced our debt. Our debt was reduced primarily as a result of the extinguishment of $404.8 million of indebtedness pursuant to the terms of our reorganization in November 2002. We have subsequently refinanced our balance sheet through a $418.0 million tower asset securitization in February 2004, which has provided us with low-cost fixed-rate debt. Furthermore, we have disposed of certain non-core communications sites and under performing sites to enhance our operating margins. Our growth opportunities are primarily linked to organic growth on our existing towers and acquiring and developing new towers on which our wireless customers will seek to locate their equipment, thereby growing our overall tenant base.

A key component of our growth strategy is our capital management strategy, which supports the financing of our new tower development and tower acquisition strategy. Our capital management strategy is to finance newly acquired assets, on a long-term basis, using equity combined with low-cost fixed-rate debt obtained through the periodic issuance of mortgage-backed securities along with additional equity issuances if deemed appropriate. Prior to financing newly acquired towers using 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 our credit facility. On December 7, 2004, we completed a second tower asset securitization to provide low-cost fixed rate debt for recently acquired and to be acquired wireless communications sites. In connection with our December 7, 2004 tower securitization, we repaid the outstanding borrowing on our credit facility and terminated the facility.

Prior to our reorganization we had 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

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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, government or investment grade 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.

The primary factors affecting our determination of the value of a communications site are its location and the immediate area's competitive structures, tenant base, tenant credit quality and zoning restrictions. Our communications sites are primarily located in the southeastern and mid-Atlantic regions of the United States, in addition to our sites in Canada and the United Kingdom. The locations of our sites are diverse and include sites along active transportation corridors, in dense urban centers and in growing suburban communities. We also have a diverse tenant base, which includes government agencies, large and small wireless service providers and operators of private communication networks. The credit quality of our tenants varies greatly from investment grade credits to small independent operations. As of December 31, 2003 and September 30, 2004, our communications sites averaged 4.2 and 4.0 tenants per owned tower, respectively.

Revenues

We generate substantially all of our revenues from leasing space on communications sites to various tenants including wireless service providers, government agencies, operators of private networks and broadcasters. Factors affecting our revenues include the rate at which our customers deploy capital to enhance and expand their networks, the rate at which customers rationalize their networks or merge, the renewal rates of our tenants and fixed-price annual escalation clauses in our contracts that allow us to increase our tenants' rental rates over time.

For the nine months ended September 30, 2004, 81% and 91% of our revenues and gross margin, respectively, were generated from our owned sites, while 19% and 9% of our revenues and gross margin, respectively, were generated from our managed sites. For the year ended December 31, 2003, 79% and 89%, respectively, of our revenues and gross margin were generated from our owned sites, while 21% and 11%, respectively, of our revenues and gross margin were generated from our managed sites. Typically, our tenant lease agreements are specific to a site, are for terms of one to ten years, and are renewable for multiple pre-determined periods at the option of the tenant. Rents under the tenant leases are generally due to us on a monthly basis, and revenues from each agreement are recognized monthly. These agreements typically contain fixed-price annual escalation clauses, however rental revenues are recognized in our financial statements on a straight-line basis over the contractual term of the agreements.

Our tenants are responsible for the installation and maintenance of their equipment at the sites. These tenants transmit from our sites utilizing a wide variety of technologies including personal communication services, or PCS, cellular, enhanced specialized mobile radio, or ESMR, mobile radio, paging, and radio and television broadcast. For the months of December 2001, 2002, 2003, and September 2004 our revenue mix for the primary technology categories was as follows:

Revenues Percentage by Tenant Technology Type

Tenant Technology Type	Percent of Revenues for the Month of December 2001	Percent of Revenues for the Month of December 2002	Percent of Revenues for the Month of December 2003	Percent of Revenues for the Month of September 2004
Telephony (PCS, cellular, ESMR)	31.3%	36.1%	40.6%	45.9%
Mobile radio	31.7	29.3	25.8	22.0
Paging	25.4	22.5	21.6	19.9
Broadcast	6.1	6.9	7.1	7.2
Wireless data and other	5.5	5.2	4.9	5.0
Total	100.0%	100.0%	100.0%	100.0%

Direct Site Operating Expenses and Other Expenses

Direct site operating expenses consist of ground rents (if we do not own the land at our site), utilities, property and ad valorem taxes, insurance and site maintenance cost. Other shared expenses such as property management, site operations and contract administration are included in selling, general and administrative as described below. Because the expenses of operating an owned site generally do not increase significantly as we add additional tenants, new lease revenues from additional tenants to a particular site provide high incremental gross margin for that site. Similarly, the loss of any tenant on an owned site does not significantly reduce the expenses associated with operating that site; and as a result, the lost lease revenues will reduce cash flows and gross margin from that site. Fluctuations in our gross margins on owned sites are directly related to changes in our tenant lease revenues. For managed sites, we typically pay the site owner either a fixed fee, a percentage of revenues or a combination of a fixed fee plus a percentage of revenues. In instances where we pay the landlord a percentage of revenues, changes in revenues result in an increase or decrease, as applicable, in our communications site operating expenses.

Selling, general and administrative expenses consist of five major components: (1) sales, marketing and colocations, (2) property management and site operations, (3) contracts administration, (4) business development including acquisitions and new builds, and (5) administrative support including legal, finance, accounting, and information technology.

Acquisitions and Dispositions of Communications Sites

Our financial results are also impacted by the timing, size and number of acquisitions and dispositions we complete in a period. Our number of active communications sites decreased from 3,881 at December 31, 2001 to 3,276 at December 31, 2003. Our number of active communications sites increased from 3,276 at December 31, 2003 to 3,387 at September 30, 2004. During the first nine months of 2004, we acquired 176 communications towers from various independent sellers. In addition, we routinely review and dispose of under-performing sites which generate negative cash flows and which are not compatible with our strategy. During 2002, our dispositions principally related to our sale of 266 non-core microwave sites. During 2003 and the nine months ended September 30, 2004, we disposed of 134 and 62 under-performing sites, respectively, primarily consisting of managed sites, and as of September 30, 2004, we had 30 other sites held for sale.

During 2001, we reclassified our portfolio of five wireline telephony colocation facilities to assets held for sale. Three were sold in 2001 and two were sold in the ten months ended October 31, 2002. These facilities contributed $6.4 million and $1.1 million to revenues during 2001 and the ten months ended October 31, 2002 for the predecessor company, respectively, prior to the sale of the last facility in October 2002. These dispositions are not classified in "discontinued operations" as they did not meet the required segment criteria in 2001 and this was prior to our adoption of Statement of Financial Accounting Standard ("SFAS") No. 144, Accounting for the Impairment and Disposal of Long-lived Assets.

In 2002, we sold other assets including certain rental buildings, two wholly owned subsidiaries and a portfolio of microwave tower sites. The results of operations for these assets have been reclassified to

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discontinued operations under SFAS No. 144, which became effective January 1, 2002. In addition, the under-performing sites we disposed of in 2002 that were not previously held for sale were also reclassified as discontinued operations.

On September 23, 2003, a majority of our stockholders formed a new company, Pinnacle Towers Acquisition Holdings LLC ("Pinnacle Acquisition"), then known as Pinnacle Towers Acquisition Inc. This entity had no operations until December 4, 2003, when it acquired, from TowerCom Enterprises, L.L.C. and its affiliates, a portfolio of 67 communications towers which are primarily located in Florida, Georgia, Alabama and Mississippi and are generally less than four years old. The purchase price was $27.3 million, including fees and expenses, and Pinnacle Acquisition accounted for the purchase using purchase accounting. Pinnacle Acquisition was initially funded through a $100.0 million committed acquisition credit facility, provided by Morgan Stanley, which was increased to $200.0 million on February 6, 2004 and to $250.0 million on October 15, 2004. In addition, on February 6, 2004, we exercised our option to acquire all the outstanding common stock of Pinnacle Acquisition, and Pinnacle Acquisition became our wholly owned subsidiary. We acquired the common stock of Pinnacle Acquisition for approximately $21,000. Global Signal and Pinnacle Acquisition had 99% common controlling stockholders. Because our acquisition of Pinnacle Acquisition was a business combination among "entities under common control," we have accounted for it in a manner similar to a pooling of interests. As a result, we have included the financial statements of Pinnacle Acquisition in our financial statements included elsewhere in this prospectus, beginning September 23, 2003.

On June 30, 2004, we completed the acquisition of all of the membership interests in Tower Ventures III LLC, or Tower Ventures, from four non-affiliated sellers and their controlled entities for $53.0 million, including fees and expenses. Tower Ventures and its subsidiaries own 97 wireless communications towers located primarily in Tennessee, Mississippi, Missouri and Arkansas. The communications towers are generally less than four years old and generate substantially all of their revenues from wireless telephony tenants. We funded the purchase price from a portion of the net proceeds from our initial public offering of our common stock.

On July 29, 2004, we signed a definitive agreement to purchase 237 wireless communications towers from Lattice Communications, LLC, for an aggregate purchase price of $119.1 million, including estimated fees and expenses. The towers derive approximately 91.9% of their revenue from wireless telephony tenants or subsidiaries of Cinergy Corp., or Cinergy. Cinergy has multi-year leases on many of these sites and utilizes these sites for its private communications and microwave network. The sites acquired are located primarily in Indiana, Ohio, Alabama, Kansas and Georgia. On October 29 and November 30, 2004, we closed on an aggregate of 189 of the Lattice Communications towers with a purchase price of $95.8 million, including estimated fees and expenses. We funded this purchase partly from cash held in escrow for the seller and partly from our credit facility that was subsequently repaid with a portion of the proceeds from the December 2004 mortgage loan. The acquisition of the remaining sites is expected to close at the end of December 2004 and various times during the first quarter of 2005 and is subject to customary closing conditions and may not be successfully completed. We expect to fund the remainder of the purchase price with $1.5 million of cash held in escrow and with cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan.

On November 12, 2004, we completed the acquisition of all of the membership interests in GoldenState Towers, LLC, or GoldenState, for an aggregate purchase price of $64.5 million, including estimated fees and expenses. GoldenState owns or operates 214 wireless communications 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 partly funded with cash held in escrow for the seller and partly from borrowings under our credit facility that was subsequently repaid with a portion of the proceeds from the December 2004 mortgage loan. The acquisition of the GoldenState business represents a significant expansion of our assets and operations into the western portion of the United States.

On December 17, 2004, we completed the acquisition of 43 towers from Towers of Texas Inc. for an aggregate purchase price of $24.4 million, including fees and expenses. The towers derive approximately

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94.5% of their revenues based on the annualized amount of tenant billings for the month of September 2004, from wireless telephony tenants and are located primarily in Texas. The acquisition was funded with cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan described below.

On December 3 and 17, 2004, we completed the acquisitions of an aggregate of 95 towers from Didier Communications for an aggregate purchase price of $26.6 million, including fees and expenses. The towers, which are located primarily in Arkansas, Missouri and Oklahoma, have an average age of two years and derived approximately 93.3% of their revenues based on the annualized amount of tenant billings for the month of September 2004 from wireless telephony tenants. The acquisition was partly funded with borrowings from our credit facility that was subsequently repaid with a portion of the December 2004 mortgage loan and partly with restricted cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan.

In addition to the acquisitions described above, our acquisition activity includes the completed acquisition of nine, eight and 21 towers from Foresite Towers, LLC, Milestone Towers Limited Partnership I, and Selectel Midwest, LLC, respectively, for a purchase price, including fees and expenses, of $1.6 million, $3.9 million and $4.0 million, respectively. In addition, the acquisitions under definitive purchase agreements that have not yet been completed include 31 towers from Highland Towers for a purchase price, including estimated fees and expenses, of $8.7 million. Substantially all of the revenues from the towers of these four acquisitions is derived from wireless telephony tenants.

Reorganization

Prior to our reorganization, we 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 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. On October 9, 2002, the Bankruptcy Court entered an order confirming the Second Amended Joint Plan Of Reorganization dated September 23, 2002, or the Prearranged Plan, which became effective on November 1, 2002.

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, or 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 our 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 warrants 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. In addition, Fortress and Greenhill received a return of capital related to their portion of our May, June and September 2004 ordinary dividends to the extent the dividends exceeded accumulated earnings to date in the amount of $14.9 million, thereby decreasing their investment to $31.1 million.

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We are also paying our stockholders of record as of January 7, 2005 a dividend of $0.40 per share of our common stock for the three months ending December 31, 2004. As of the date of this prospectus, we have not closed our accounting books and records for the three months ending December 31, 2004, and therefore we cannot determine the exact amount of this dividend that represents a return of our stockholders' capital. As of December 17, 2004, assuming there are no warrant or stock option exercises, the aggregate dividend will be approximately $20.5 million. Assuming the entire amount of the dividend is a return of capital, the Fortress and Greenhill investment would be reduced by $13.3 million, to $17.8 million.

Under the plan, we satisfied $325.0 million of indebtedness related to our senior notes for $21.6 million 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 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. On February 5, 2004, the old credit facility was paid in full and terminated.

Our emergence from bankruptcy and adoption of fresh start accounting resulted in the extinguishment of $404.8 million of indebtedness and significantly reduced our interest expense and depreciation and amortization expense. In addition to our reorganization, we have taken a number of other measures to minimize potential net losses in the future, including the sale of non-performing communications sites, the reduction of overhead and capital expenditures and the installation of a new management team.

2001 Securities and Exchange Commission Investigation

In August 2000, we became the subject of an investigation by the Securities and Exchange Commission. On December 6, 2001, we entered into a settlement with the Commission relating to our original accounting for the August 1999 acquisition of certain communications sites from Motorola, Inc. We restated our financial statements to change our accounting for that transaction in filings made with the Commission in April and May 2001. In the settlement, we consented, without admitting or denying the Commission's findings, to the Commission's entry of an administrative order that we cease and desist from committing or causing violations of the reporting, books and records, and internal control provisions of the federal securities laws. The Commission's order does not claim any violation of the antifraud provisions of the federal securities laws, nor does it assess a monetary penalty or fine against us. As previously disclosed, we cooperated fully with the Commission in its inquiry.

Basis of Accounting

In the following discussion, we refer to ourselves in the periods prior to our emergence from Chapter 11 as "predecessor company" and in the periods subsequent to the date of our emergence from bankruptcy as "successor company." The following is a discussion of our financial condition and results of operations for 2001 and the ten months ended October 31, 2002, for the predecessor company, and the two months ended December 31, 2002, the year ended December 31, 2003, and the nine months ended September 30, 2003 and 2004 for the successor company. The discussion should be read in conjunction with our financial statements included elsewhere in this prospectus.

As a result of the adoption of fresh start accounting as of November 1, 2002, our financial statements after that date are not comparable to our financial statements for prior periods because of the differences in the basis of accounting and the different debt and equity structures for the predecessor company and the successor company. The more significant effects of the differences in the basis of accounting on the successor company's financial statements are lower depreciation and amortization expense as a result of the revaluation of our long-lived assets downward by $357.2 million through the application of fresh start accounting, and lower interest expense as a result of the discharge of $404.8 million of debt upon our emergence from bankruptcy. In addition, as required under fresh start accounting, we early adopted SFAS No. 143, Accounting for Asset Retirement Obligations, at that time.

Recent Developments

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 2003 along with certain additional communications sites we expect 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 December 17, 2004, the site acquisition reserve account had a balance of $85.5 million. The December 2004 mortgage loan requires monthly payments of interest until its maturity in December 2009. The weighted average interest rate on the various tranches of certificates 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 which we expect to have an aggregate acquisition cost of approximately $450.0 million, including fees and expenses, after all amounts in the site acquisition reserve have been used to fund acquisitions.

On December 3, 2004, Global Signal Operating Partnership, L.P., or Global Signal OP. entered into a 364-day $20.0 million revolving credit agreement with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, to provide funding for working capital and other corporate purposes. Amounts available under the revolving credit facility are reduced to $15.0 million upon the earlier of June 3, 2005 or the completion of certain equity issuances by us in excess of $5.0 million, including this offering. Interest on the revolving credit facility is payable at our option at either the London InterBank Offered Rate, or LIBOR, plus 3.0% or the bank's base rate plus 2.0%. The revolving credit facility contains covenants and restrictions standard for a facility of this type including a limitation on our consolidated indebtedness at $730.0 million. The revolving credit facility is guaranteed by Global Signal, Global Signal GP LLC, and certain subsidiaries of Global Signal OP that are not party to the December and February 2004 mortgage loans. It is secured by a pledge of Global Signal OP's assets including a pledge of 65% of its interest in our United Kingdom subsidiary and, 100% of its interest in certain other of our domestic subsidiaries and a pledge by Global Signal of 65% of its interest in its Canadian subsidiary.

On October 15, 2004, we amended and restated our credit facility with Morgan Stanley Asset Funding Inc. to increase the available commitment to $250.0 million, to eliminate our ability to borrow under the facility for working capital purposes and to add Bank of America, N.A. as a lender. Borrowings under the credit facility were limited based on a borrowing base equal to 65% of the value of acquired communications towers as defined in the credit facility. As of September 30, 2004, $76.4 million was available, based on the borrowing base to fund future acquisitions. We repaid the outstanding borrowings under our credit facility with a portion of the net proceeds from our December 2004 mortgage loan at which time the credit facility was terminated.

Financial Developments

The following are certain changes in our financial results which have occurred or we expected to occur in 2004 and beyond, as compared to our 2003 results.

On December 7, 2004, we issued the December 2004 mortgage loan for $293.8 million. Of the net proceeds, $112.2 million was invested in a site acquisition reserve account totalling $120.7 million pending investment in qualified wireless communications sites over the succeeding six-month period. To the extent amounts in the acquisition reserve are not invested by the end of the six-month acquisition period, remaining amounts will be applied to repay outstanding borrowings under the December 2004 mortgage loan including applicable prepayment penalties. In addition, while amounts in the acquisition reserve will be invested in qualifying short-term investments pending final investment, the interest income generated from our short-term investments will be insufficient to fund the interest expense on offsetting amount of the December 2004 mortgage loan debt resulting in an interest carrying cost for amounts in the acquisition reserve. In addition to establishing a site acquisition reserve account, we used a portion of the net proceeds from our December 2004 mortgage loan to repay the outstanding amounts under our credit facility, which was then terminated. In connection with the termination of our credit facility, we will expense during the three month period ending December 31, 2004 the remaining unamortized debt issuance cost of approximately $0.4 million.

On March 26, 2004 and August 27, 2004, in anticipation of acquisitions of additional communications sites and the issuance of the December 2004 mortgage loan, we entered into a total of six interest rate swaps with Morgan Stanley as counterparty to hedge the variability of future interest rates on our anticipated mortgage financing. 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 and 3.84% on a total notional amount of $100.0 million beginning in October 2004 through April 2009 in exchange for receiving an interest rate of three month LIBOR on the same notional amounts for the same period. Concurrent with the pricing of the December 2004 mortgage loan, we terminated the six interest rate swaps and received a net payment of $2.0 million. 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, we will expense approximately $40,000 during our fourth quarter as additional interest expense, related to one of the August 2004 swaps.

In connection with our February 2004 mortgage loan, we increased the scope and coverage of our insurance policies which increased our annual premium by approximately $550,000. The February 2004 and December 2004 mortgage loans will also increase our general and administrative expenses due to certain requirements including a separate audit of the borrowers, and other periodic monitoring and reporting.

We used a portion of the proceeds from our February 2004 mortgage loan to repay the outstanding amounts due under our old credit facility, which was terminated. In connection with our repayment of the outstanding borrowings under our old credit facility, we expensed the remaining unamortized deferred debt issuance cost of approximately $8.4 million during our first quarter of 2004.

As a new public company, we have incured and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company related to corporate governance, Securities and Exchange Commission reporting and compliance with the Sarbanes-Oxley Act of 2002. In particular, we expect to incur significant incremental expenses associated with Sarbanes-Oxley Section 404 compliance implementation. In addition, as a NYSE listed company, we established an internal audit function in October 2004 as required by the NYSE, and as a result we will incurr additional cost associated with this function. We also expect these new rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher expenses to obtain coverage.

In 2003, our board of directors awarded options to purchase 820,000 shares of our common stock to a former director, then a member of our board and an employee of Fortress Capital Finance LLC, who served on our board of directors from January 2003 until February 2004 and provided financial advisory services to us through March 2004. Of these options, 30% vested on January 9, 2003, 30% were scheduled to vest on December 31, 2004 and the remaining 40% were scheduled to vest on December 31, 2005. Half of the options had an exercise price of $5 per share and the remainder had an exercise price of $10 per share. Pursuant to the terms of our stock option plan, the exercise price of the then-outstanding options was adjusted from $10 to $8.53 per share and from $5 to $4.26 per share, due to the special distribution declared and paid to our stockholders on February 5, 2004. This individual's agreement to provide financial advisory services was terminated in March 2004 and the vesting of the outstanding options was modified. Following this modification, the former director is entitled to exercise options to purchase 246,000 shares at an exercise price of $4.26 per share and options to purchase 246,000 shares at an exercise price of $8.53 per share until December 31, 2004. The remaining options to acquire 328,000 shares expired upon his termination pursuant to the terms of the award. As of November 29, 2004, all of his options have been exercised. We follow SFAS No. 123 and EITF Issue No. 96-18, Accounting for Equity Investments that are Issued to Other than Employees for Acquiring or in

Conjunction with Selling Goods and Services, for our stock option grants to this individual. In 2003, we measured the related compensation expense as

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the options vested and recognized an expense of $1.5 million. In the nine months ended September 30, 2004, as a result of the services provided before the termination, the termination of this individual's agreement and the resulting modification, we recognized a total expense of $2.6 million related to these options. There will be no future additional expense related to this individual's options.

On March 22, 2004, we granted options to purchase 205,000 shares of our common stock to a newly hired executive with an exercise price of $8.53. These options will vest 30% on December 31, 2004, 30% on December 31, 2005 and 40% on December 31, 2006. In accordance with APB 25, Accounting for Stock Issued to Employees, we will recognize this compensation expense of $2.4 million over the vesting period of the stock options.

In connection with our initial public offering and for purposes of compensating Fortress and Greenhill for their successful efforts in raising capital in our initial public offering, we granted options to FRIT PINN LLC and Greenhill, or affiliates of such entities, to purchase the number of shares of our common stock equal to an aggregate of 10% of the number of shares issued in our initial public offering in the following amounts (1) for FRIT PINN LLC (or its affiliates), the right to acquire 644,000 shares which was equal to 8% of the number of shares issued in our initial public offering and (2) for Greenhill (or its affiliate), the right to acquire 161,000 shares, which was equal to 2% of the number of shares issued in our initial public offering all at an exercise price of $18.00 per share which was equal to the initial public offering price of our shares. All of the options were immediately vested and will be exercisable for ten years from the sale of the initial public offering. We recognized the fair value of these options on the offering date as a cost of the offering by netting it against the net proceeds. These options had a fair value of $1.9 million using the Black-Scholes valuation method.

On April 15, 2004, we modified our board compensation package for independent directors of our board of directors who do not beneficially own 10% or more of our common stock at the date of grant, or eligible directors. Each of the eligible directors was granted 5,000 shares of common stock on the first day following the consummation of our initial underwritten public offering. In addition, each of the eligible directors will be granted 5,000 shares of common stock on each of the first days following the annual meeting of stockholders in 2005, and the annual meeting of stockholders in 2006. We follow APB 25, Accounting for Stock Issued to Employees, as amended, for our stock grants to directors. As such, we will measure compensation expense at the date of each grant based on the fair value of our common stock on that date, and will recognize it immediately. We recorded a non-cash stock based compensation expense of $0.4 million in the three months ended June 30, 2004, related to the issuance of 20,000 shares on June 3, 2004 to such eligible directors.

Since 2003 we have become a more acquisition-focused company. As we evaluate towers for potential acquisition, we may incur costs for various third parties' assistance, including in connection with due diligence, negotiation and structuring of these acquisitions. If an acquisition is abandoned, these costs will be expensed. If the acquisition is consummated, these costs will be capitalized as a part of the total purchase price.

Although we have not yet analyzed the impact, the new accounting requirements for stock options and other stock-based compensation will require us to recognize expense whereas generally we have not been required to do so in the past.

Results of Operations

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

The following table sets forth, for the periods indicated, each statement of operations item as a percentage of revenues. The results of operations for any particular period are not necessarily indicative of results for any future period. The following data should be read in conjunction with our condensed consolidated financial statements and notes thereto included herein.

	Nine Months Ended September 30,					
	2003		2004		Change	
	(dollars in thousands)					
	$	% of Revenue	$	% of Revenue	$	%
Revenues	$124,946	100.0%	$134,125	100.0%	$ 9,179	7.3%
Direct site operating expenses (excluding depreciation, amortization and accretion)	41,186	33.0%	41,290	30.8%	104	0.3%
Gross margin	83,760	67.0%	92,835	69.2%	9,075	10.8%
Other expenses:						
Selling, general and administrative (excluding $592 and $3,440 of non-cash stock-based compensation expense, respectively)	19,727	15.8%	18,035	13.4%	(1,692)	(8.6%)
State franchise, excise and minimum taxes	625	0.5%	500	0.4%	(125)	(20.0%)
Depreciation, amortization and accretion	33,528	26.8%	37,164	27.7%	3,636	10.8%
Non-cash stock-based compensation expense	592	0.5%	3,440	2.6%	2,848	0.0%
	54,472	43.6%	59,139	44.1%	4,667	8.6%
Operating income	29,288	23.4%	33,696	25.1%	4,408	15.1%
Interest expense, net	15,832	12.7%	19,294	14.4%	3,462	21.9%
Loss on early extinguishment of debt	—	0.0%	8,449	6.3%	8,449	0.0%
Other income	(24)	0.0%	(84)	(0.1%)	(60)	250.0%
Income from continuing operations before income tax benefit (expense)	13,480	10.8%	6,037	4.5%	(7,443)	(55.2%)
Income tax benefit (expense)	326	0.3%	(324)	(0.2%)	(650)	(199.4%)
Income from continuing operations	13,806	11.0%	5,713	4.3%	(8,093)	(58.6%)
Income from discontinued operations	171	0.1%	7	0.0%	(164)	(95.9%)
Income before gain (loss) on sale of properties	13,977	11.2%	5,720	4.3%	(8,257)	(59.1%)
Gain (loss) on sale of properties	(20)	0.0%	119	0.1%	139	(695.0%)
Net income	$ 13,957	11.2%	$ 5,839	4.4%	$ (8,118)	(58.2%)

Revenues

Our revenues increased $9.2 million or 7.3%, primarily as a result of approximately $4.6 million in revenues from our acquisition of 243 communications sites during the period from December 1, 2003 through September 30, 2004, and from internal growth. Our internal growth of 3.7% was primarily driven by growth in our revenues generated from telephony customers of 14.1%, which was in part offset by a decline in our revenues generated by our non-telephony tenants.

For the nine months ended September 30, 2004, Arch Wireless, our largest customer, accounted for 10.6% of our revenues. Our current contract with Arch Wireless, which expires in May 2005, allows Arch Wireless to locate a fixed number of transmitters on any of our sites for a fixed minimum rate. On November 16, 2004, Arch Wireless and Metrocall Holdings, Inc., our sixth largest customer for the nine months ended September 30, 2004, completed their merger, to form USA Mobility, Inc. The number of sites that Arch Wireless currently occupies is less than the maximum number of sites allowable under the current contract for the fixed minimum rate. Consequently, we do not believe it is likely that we will be able to renew the Arch Wireless lease at the same rate or terms upon its expiration.

Expenses

Direct site operating expenses (excluding depreciation, amortization and accretion)

Our direct site operating expenses increased $0.1 million primarily due to increased tower cost associated with the communications towers we have acquired since December 2003. These additional costs from the acquired communications towers were partially offset by decreases in maintenance

expenses at our existing communications sites. As a percentage of revenues, our direct site operating expenses decreased to 30.8% of revenues for the nine months ended September 30, 2004 from 33.0% of revenues for the nine months ended September 30, 2003 due to revenue growth without corresponding expense increases.

Selling, general and administrative

Our selling, general and administrative expenses decrease of $1.7 million was primarily attributable to a $1.0 million decline in monitoring fees paid to Fortress and Greenhill, as the monitoring agreement was terminated in March 2004, and a decrease in professional fees. As a percentage of revenues, our selling, general and administrative expenses declined to 13.4% of revenues for the nine months ended September 30, 2004 from 15.8% of revenues for the nine months ended September 30, 2003.

Depreciation, amortization and accretion

The increase in depreciation, amortization and accretion of $3.6 million for the nine months ended September 30, 2004 compared to the nine months ended September 30, 2003 was primarily due to the acquisition of 243 communications sites during the period from December 2003 through September 2004.

Non-cash stock-based compensation expense

In August 2003, our board of directors awarded options to purchase shares of our common stock to an employee of Fortress Capital Finance LLC, who provided financial advisory services to us. This agreement was terminated in March 2004 and the vesting of the outstanding options was modified. As a result of the services provided before the termination, the termination of this individual's agreement and the resulting modification, we recorded a total expense of $2.6 million in the nine months ended September 30, 2004 related to these stock options which concludes all charges to be recognized related to this agreement. During the nine months ended September 30, 2003, we recognized $0.6 million in non-cash stock-based compensation related to this agreement. In addition, during the nine months ended September 30, 2004, we recognized $0.4 million in stock-based compensation related to 20,000 fully-vested, unrestricted shares of common stock issued to our four independent directors upon consummation of our initial public offering and $0.5 million related to options granted to an executive which were granted at an exercise price less than the market value of the stock on the grant date.

Interest expense, net

Our net interest expense increase of $3.5 million is related to the increase in the amount of debt in our capital structure resulting from the February 5, 2004 mortgage loan transaction, which included the repayment of our old credit facility, and borrowing $418.0 million under the February 2004 mortgage loan.

Loss on early extinguishment of debt

On February 5, 2004, our largest 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 February 2004 mortgage loan. A portion of the net proceeds was used to repay outstanding borrowings under our old credit facility, and as a result of this repayment, this facility was terminated and $8.4 million of unamortized deferred financing costs related to the old credit facility were expensed.

Income tax expense

Our income tax expense increase of $0.7 million resulted primarily from differences arising when we completed the 2003 tax returns for our taxable subsidiaries.

Comparison of 2003 to the ten months ended October 31, 2002, and the two months ended December 31, 2002

Our results before November 1, 2002 are not generally comparable to the results of operations after that date due to the effects of fresh start accounting and our reorganization.

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The following presents an overview of our results of operations for the year ended December 31, 2003, ten months ended October 31, 2002 and two months ended December 31, 2002.

	Predecessor Company		Successor Company			
	10 Months Ended October 31, 2002		2 Months Ended December 31, 2002		12 Months Ended December 31, 2003	
	$	% of Revenue	$	% of Revenue	$	% of Revenue
Revenues	$ 140,646	100.0%	$ 28,285	100.0%	$ 169,233	100.0%
Direct site operating expenses (excluding impairment losses, depreciation, amortization and accretion)	48,060	34.2%	9,361	33.1%	56,343	33.3%
Gross margin	92,586	65.8%	18,924	66.9%	112,890	66.7%
Other expenses:						

Selling, general and administrative	27,496	19.5%	4,818	17.0%	26,926	15.9%
State franchise, excise and minimum taxes	1,671	1.2%	331	1.2%	848	0.5%
Depreciation, amortization and accretion	74,175	52.7%	7,512	26.6%	44,496	26.3%
Non-cash stock based compensation expense	—	0.0%	—	0.0%	1,479	0.9%
Impairment loss on assets held for sale	1,018	0.7%	—	0.0%	—	0.0%
Impairment loss on assets held for use	4,541	3.2%	—	0.0%	—	0.0%
Reorganization expenses	59,124	42.0%	—	0.0%	—	0.0%
	168,025	119.5%	12,661	44.8%	73,749	43.6%
Operating income (loss)	(75,439)	(53.6)%	6,263	22.1%	39,141	23.1%
Interest expense, net	45,720	32.5%	3,989	14.1%	20,352	12.0%
Gain on extinguishment of debt	(404,838)	(287.8)%	—	0.0%	—	0.0%
Foreign currency translation loss (gain)	(555)	(0.4)%	137	0.5%	—	0.0%
Minority interest in net loss (net income) of subsidiary	22	0.0%	(1)	0.0%	16	0.0%
Income (loss) from continuing operations before income tax benefit (expense)	284,212	202.1%	2,138	7.6%	18,773	11.1%
Income tax benefit (expense)	5,195	3.7%	(19)	(0.1)%	665	0.4%
Income (loss) from continuing operations	289,407	205.8%	2,119	7.5%	19,438	11.5%
Loss from discontinued operations	(33,157)	(23.6)%	(66)	(0.2)%	(1,100)	(0.6)%
Income (loss) before gain (loss) on disposal of properties	256,250	182.2%	2,053	7.3%	18,338	10.8%
Gain (loss) on disposal of properties	(78)	(0.1)%	(2)	0.0%	(302)	(0.2)%
Net income	$ 256,172	182.1%	$ 2,051	7.3%	$ 18,036	10.7%

Revenues

Our average monthly revenue during 2003 and 2002 remained relatively constant. Our mix of revenues from wireless telephony customers increased to 40.6% of revenues for the month of December 2003, from 36.1% of revenues for the month of December 2002.

In 2003, our largest customer, Arch Wireless, a paging service provider, accounted for 11.2% of our revenues. For the ten months ended October 31, 2002, Arch Wireless accounted for 13.0% of our revenues and for the two months ended December 31, 2002, Arch Wireless accounted for 11.5% of our revenues. Arch Wireless reorganized under Chapter 11 in late 2001 and exited bankruptcy in May 2002. In connection with Arch Wireless' exit from bankruptcy we entered into a new three-year master lease agreement requiring Arch Wireless to make fixed minimum payments to us each month, which allows Arch Wireless to locate up to a fixed number of transmitters on any of our sites. Under this new agreement, the monthly revenues we earned from Arch Wireless decreased by approximately 21.2% from that which we earned under our prior agreement with Arch Wireless prior to its emergence from bankruptcy. On November 16, 2004, Arch Wireless and Metrocall Holdings, Inc., our sixth largest customer for the nine months ended September 30, 2004, completed their merger, to form USA Mobility. The number of sites which Arch Wireless currently occupies is less than the maximum number of sites allowable under the current contract for the fixed minimum rate. We do not believe it is likely that we will be able to renew the Arch Wireless lease at the same rate or terms upon its expiration.

Expenses

Direct site operating expenses (excluding impairment losses, depreciation, amortization and accretion). Our direct site operating expenses as a percentage of revenue in 2003 were lower than in the ten months ended October 31, 2002 as a result of decreases in rent and utilities which were offset by increases in site management and general tower maintenance expenses. Our direct operating expenses in the two months ended December 31, 2002 as a percentage of revenue were relatively consistent with 2003.

Selling, general and administrative. The decrease in selling, general and administrative expenses as a percentage of revenues in 2003 was primarily attributable to declines in (1) salaries and salary related expenses due to the effects of workforce reductions, (2) professional fees, (3) bad debt expense, (4) aborted construction expenses, and (5) insurance expense related specifically to the cost of directors and officers insurance. The overall decrease was offset by an increase in (1) temporary help and professional services related to special projects geared toward improving internal processes and our document data base library, (2) severance and relocation expenses related to our installation of a new management team and (3) management fees paid to our principal stockholders.

State franchise, excise and minimum taxes. The decrease in state franchise, excise and minimum taxes as a percentage of revenues in 2003 was a result of recharacterizing certain subsidiaries as qualified REIT subsidiaries, divesting a taxable REIT subsidiary and reorganizing the overall operations to more effectively minimize state franchise and income taxes as well as an adjustment of our prior year estimated taxes. These taxes are calculated using various methods including an apportionment based on our property within a given state, or our capital structure or based upon a minimum tax in lieu of income taxes.

Depreciation, amortization and accretion. The decline in depreciation, amortization and accretion as a percentage of revenue for the periods after October 31, 2002, the date of our emergence from bankruptcy, was primarily due to the adoption of fresh start accounting, which reduced the depreciable basis of long lived assets by $357.2 million, resulting in decreases in depreciation expense, offset by an increase in accretion of our asset retirement obligation.

Non-cash stock based compensation expense. During 2003, we issued 820,000 stock options to compensate a non-employee former director who performed financial advisory consulting services for us. These options vest at various times over a three-year period, the period during which this individual is expected to perform services. During 2003, we recorded an expense of $1.5 million related to these options. Each reporting period, we are required to revalue these unvested options based on the current market value of our stock. The related expense will be adjusted in the period of revaluation.

Impairment loss on assets held for sale. During the ten months ended October 31, 2002, we recorded an additional write down of $1.0 million on a co-location facility reclassified as held for sale in 2001, based on a decrease in the net proceeds we expected to receive. The facility was sold in 2002.

Impairment loss on assets held for use. During the ten months ended October 31, 2002, we identified specific sites with impairment indicators and recorded an impairment loss of $4.5 million.

Reorganization expenses. As a result of our reorganization, we incurred $59.1 million in nonrecurring expenses related to our reorganization and the related bankruptcy filing during the ten months ended October 31, 2002. These expenses include the acceleration of the accretion of the original issue discount of $23.1 million on our 10% senior notes due 2008 ("senior notes") and the write-off of $9.1 million of deferred debt issuance expenses on our senior notes and our 51/2% convertible notes due 2007 ("convertible notes"). Also included in these nonrecurring expenses are $26.9 million of additional legal fees, consultant fees, the reimbursement of due diligence fees and employee retention plan expenses. Our reorganization was completed as of November 1, 2002; therefore, no reorganization expenses were incurred in the two months ended December 31, 2002 or the year ended December 31, 2003.

Interest expense, net. As a percentage of revenue, interest expense, net, for the two months ended December 31, 2002 and the ten months ended October 31, 2002 were 14.1% and 32.5%, respectively. This decline was primarily the result of changes to our debt structure because of our Chapter 11 bankruptcy filing on May 21, 2002 and ultimate emergence on November 1, 2002. Included in the decrease was (1) a

decline in interest on the convertible notes which stopped accruing interest upon our bankruptcy filing, (2) a decrease in interest on the old credit facility as a result of a significant decrease in the principal balance and drop in the LIBOR rate and (3) a decline in the amortization of original issue discount on the senior notes and amortization of deferred debt issuance expenses on the senior notes and convertible notes, both of which stopped amortizing upon our bankruptcy filing. The senior notes and convertible notes were discharged on November 1, 2002 upon our emergence from Chapter 11. As a percentage of revenue, interest expense in 2003 and the two months ended December 31, 2002 was 12.0% and 14.1%, respectively. This decrease in interest expense as a percentage of revenues is a result of our repayment from operating cash flow of a portion of the outstanding debt under our old credit facility and a drop in LIBOR rates.

Gain on extinguishment of debt. The $404.8 million gain on extinguishment of debt recorded during the ten months ended October 31, 2002 was the result of our reorganization. In connection with our emergence from Chapter 11, we satisfied $519.8 million in debt for payments totaling $115.0 million. Debt discharged during the bankruptcy included $211.0 million of our senior notes, $186.5 million of our convertible notes and $7.3 million of related accrued interest. There was no gain on the extinguishment of debt for the two months ended December 31, 2002 or the year ended December 31, 2003.

Income tax benefit (expense). We are organized as a REIT for federal income tax purposes and accordingly only provide for income taxes based on the operating results of our taxable REIT subsidiaries. The decline in tax benefit is primarily attributable to our corporate restructuring activities in the ten months ended October 31, 2002. A large part of our deferred tax assets relating to net operating losses was eliminated under the provisions of fresh start accounting and SFAS No. 109, Accounting for Income Taxes.

Loss from discontinued operations. Under SFAS No. 144, Accounting for the Impairment or Disposal of Long-lived Assets, we classified certain sites as discontinued operations based on when the asset met the "held for sale" criteria or was actually disposed. For the periods presented, our discontinued operations primarily include two wholly owned subsidiaries, a portfolio of microwave sites and certain non-core under-performing sites. The operations related to each of these assets were sold or liquidated by December 31, 2003 except for 69 under-performing sites that were held for disposal by sale. With respect to our discontinued operations, for the ten months ended October 31, 2002, we recorded an impairment charge of $31.4 million compared to no impairment charge for the two months ended December 31, 2002 and a $0.4 million impairment charge for 2003.

Comparison of the ten months ended October 31, 2002 and the two months ended December 31, 2002 to 2001

	Predecessor Company		Successor Company
	12 Months Ended December 31, 2001	10 Months Ended October 31, 2002	2 Months Ended December 31, 2002
	$	$	$

		% of Revenue		% of Revenue		% of Revenue
Revenues	$178,020	100.0%	$140,646	100.0%	$28,285	100.0%
Direct site operating expenses (excluding impairment losses, depreciation, amortization and accretion)	67,259	37.8%	48,060	34.2%	9,361	33.1%
Gross margin	110,761	62.2%	92,586	65.8%	18,924	66.9%
Other expenses:						
Selling, general and administrative	47,898	26.9%	27,496	19.5%	4,818	17.0%
State franchise, excise and minimum taxes	1,877	1.1%	1,671	1.2%	331	1.2%
Depreciation, amortization and accretion	119,337	67.0%	74,175	52.7%	7,512	26.6%
Impairment loss on assets held for sale	46,592	26.2%	1,018	0.7%	—	0.0%
Impairment loss on assets held for use	246,780	138.6%	4,541	3.2%	—	0.0%
Unsuccessful debt restructuring expenses	1,702	1.0%	—	0.0%	—	0.0%
Reorganization expenses	—	0.0%	59,124	42.0%	—	0.0%
	464,186	260.7%	168,025	119.5%	12,661	44.8%

	Predecessor Company				Successor Company	
	12 Months Ended December 31, 2001		10 Months Ended October 31, 2002		2 Months Ended December 31, 2002	
	$	% of Revenue	$	% of Revenue	$	% of Revenue
Operating income (loss)	(353,425)	(198.5)%	(75,439)	(53.6)%	6,263	22.1%
Interest expense, net	88,731	49.8%	45,720	32.5%	3,989	14.1%
Gain on extinguishment of debt	—	0.0%	(404,838)	(287.8)%	—	0.0%
Foreign currency translation loss (gain)	132	0.1%	(555)	(0.4)%	137	0.5%
Minority interest in net loss (net income) of subsidiary	(245)	(0.1)%	22	0.0%	(1)	0.0%
Income (loss) from continuing operations before income tax benefit (expense)	(442,043)	(248.3)%	284,212	202.1%	2,138	7.6%
Income tax benefit (expense)	6,630	3.7%	5,195	3.7%	(19)	(0.1)%
Income (loss) from continuing operations	(435,413)	(244.6)%	289,407	205.8%	2,119	7.5%
Loss from discontinued operations	(7,145)	(4.0)%	(33,157)	(23.6)%	(66)	(0.2)%
Income (loss) before gain (loss) on disposal of properties	(442,558)	(248.6)%	256,250	182.2%	2,053	7.3%
Loss on disposal of properties	(5,644)	(3.2)%	(78)	(0.1)%	(2)	0.0%
Net income (loss)	$ (448,202)	(251.8)%	$ 256,172	182.1%	$ 2,051	7.3%

Revenues

Our average monthly revenue declined in 2002 as compared to 2001. Items affecting revenue during 2002 and 2001 are (1) a decrease in revenues related to the sale of three wireline telephony co-location facilities in the fourth quarter of 2001 and two wireline telephony co-location facilities during the ten months ended October 31, 2002, (2) reduced revenues starting May 2002 from the impact of the renegotiation of our master lease agreement with Arch Wireless, in connection with its exit from Chapter 11 and (3) lost revenues associated with the termination of under-performing sites in 2001 and customer churn. Customer churn primarily related to the loss of mobile radio and paging tenant leases which were in part offset by the growth in our telephony tenants. Throughout 2002 and 2001, we experienced growth in our revenues from wireless telephony customers and as a result, an increase in the percentage of our revenues that is generated from wireless telephony customers. Wireless telephony customers increased to 36.1% of revenues for the month of December 2002, from 31.5% of revenues for the month of December 2001. This increase in the percentage of our revenues that is generated from telephony tenants is a result of year over year growth in our revenues generated from wireless telephony tenants of 15.8% and a decline in our revenues generated from narrowband customers of 6.5%.

Expenses

Direct site operating expenses (excluding impairment losses, depreciation, amortization and accretion). The decline in direct site operating expenses as a percentage of revenues is related to cost containment efforts and the disposal of under-performing sites during late 2001. Some of the primary contributors to the decrease in tower expenses are a decrease in site management and professional services expenses, a decrease in rent expense and lower utilities expenses.

Selling, general and administrative. The decline in selling, general and administrative expenses as a percentage of revenue was primarily attributable to decreases in (1) bad debt expense, (2) legal and professional fees, (3) salaries and related benefit expenses, and (4) travel and general office administration expenses. These declines were offset by an increase in insurance expenses specifically attributed to our directors' and officers' insurance coverage.

State franchise, excise and minimum taxes. These taxes, calculated using various methods including an apportionment based on our property within a given state, our capital structure or a minimum tax in lieu of income taxes, remained relatively unchanged.

Depreciation, amortization and accretion. The decline in depreciation, amortization and accretion as a percentage of revenue primarily relates to (1) impairment losses we incurred in 2001, which reduced

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the basis of long-lived assets by $246.8 million, resulting in decreases in depreciation expense and (2) the adoption of fresh start accounting, which further reduced the depreciable basis of long lived assets by $357.2 million in the ten months ended October 31, 2002. Accretion expense relates to our asset retirement obligations, and is only recorded in periods after October 31, 2002.

Impairment loss on assets held for sale. During 2001, we reclassified our portfolio of five wireline telephony co-location facilities, our investment in our U.K. subsidiary and 88 land parcels we owned under other entities' towers to assets held for sale. In connection with our decision to dispose of these assets we recorded an impairment charge of $46.6 million in 2001 based on the estimated net proceeds we expected to receive. In the ten months ended October 31, 2002, we recorded an additional impairment charge of $1.0 million related to decreases in our expected net proceeds. Also during the ten months ended October 31, 2002, we made a decision not to dispose of our U.K. subsidiary and the 88 land parcels and as a result reclassified these assets as held for use. Three of the co-location facilities were sold in 2001 and two were sold in the ten months ended October 31, 2002.

Impairment loss on assets held for use. During 2001, due to (1) negative developments in the U.S. economy as a whole, (2) the downturn in the telecom industry, (3) the deteriorating financial condition of some key customers in the paging and wireless data industry and (4) the significant decline in valuation multiples at the time for companies operating in the tower business in general we evaluated the recoverability of the carrying value of our tower sites and determined that indicators of impairment existed. As such, in 2001 we wrote down assets held for use with a carrying amount of $387.0 million by $246.8 million. During the ten months ended October 31, 2002, we identified specific sites with impairment indicators and recorded an impairment loss of $4.5 million.

Unsuccessful debt restructuring expenses. In December 2001, we expensed $1.7 million in expenses related to an unsuccessful equity offering in connection with a debt restructuring we initiated in 2000. We discontinued this offering due to market conditions relative to our stock price at that time.

Reorganization expenses. As a result of our reorganization, we incurred $59.1 million in nonrecurring expenses related to our reorganization efforts and bankruptcy filing during the ten months ended October 31, 2002. These expenses included the acceleration of the accretion of the original issue discount on our senior notes, the write-off of deferred debt issuance expenses on the senior notes and convertible notes and nonrecurring expenses of additional legal fees, consultant fees, the reimbursement of due diligence fees and employee retention plan expenses. We did not incur reorganization expenses in 2001.

Interest expense, net. As a percentage of revenue, interest expense, net was 49.8% and 32.5% for 2001 and the ten months ended October 31, 2002, respectively. This decline was primarily a result of changes caused by our Chapter 11 bankruptcy filing on May 21, 2002. The decline included (1) the stopping of the amortization of original issue discount and debt issuance expenses related to our senior notes and convertible notes upon our bankruptcy filing and (2) lower interest on our convertible notes which stopped accruing interest at the bankruptcy petition date. Other factors related to this decline included less interest on our old credit facility both as a function of declining interest rates and a decrease in the average debt balance and a decline in interest expense related to an interest rate swap required by our old credit facility. There was a further decline in interest expense, net as a percentage of revenue for the two months ended December 31, 2002 to 14.1%. This additional decline is a result of the discharge of both the senior notes and the convertible notes upon our emergence from bankruptcy on November 1, 2002 as well as a decline in the balance of the old credit facility as part of our restructuring transaction.

Gain on extinguishment of debt. The $404.8 million gain on extinguishment of debt recorded during the ten months ended October 31, 2002 was the result of our reorganization. In connection with our emergence from bankruptcy, we satisfied $519.8 million in debt for payments totaling $115.0 million. Debt discharged during the bankruptcy included $211.0 million of the senior notes, $186.5 million of the convertible notes and $7.3 million of related accrued interest. There was no gain on the extinguishment of debt for the two months ended December 31, 2002 or the year ended December 31, 2001.

Income tax benefit (expense). We are organized as a REIT for federal income tax purposes and accordingly only provide for income taxes based on the operating results of our taxable REIT subsidiaries. The decline in tax benefit is primarily attributable to a decline in deferred tax benefit on our taxable REIT subsidiaries due to continued losses and asset impairments.

Loss from discontinued operations. Upon the adoption of SFAS No. 141 we classified certain assets disposed of in the two months ended December 31, 2002, the ten months ended December 31, 2002 and 2003, or to be disposed of in 2004, as discontinued operations. These assets primarily include two wholly owned subsidiaries, a portfolio of microwave sites and certain non-core or under-performing sites. The operations related to each of these assets were sold or liquidated by December 31, 2003, except for 69 under-performing sites that were held for disposal by sale. With respect to our discontinued operations, for 2001, we recorded an impairment charge of $7.4 million compared to a charge of $31.4 million for the ten months ended October 31, 2002 and no charge for the two months ended December 31, 2002.

Loss on disposal of properties. During 2001, we initiated a process to evaluate under-performing sites. As part of this process, we disposed of certain assets in 2001 and recorded losses of $5.6 million on the disposition of these sites.

Liquidity and Capital Resources

Our liquidity needs arise from working capital requirements, debt service, construction expenses for new tower builds, tower acquisitions, other capital expenditures, and dividend payments. We expect to meet our cash requirements for the next twelve months by using cash generated from operating activities, net proceeds from this offering, cash in the December 2004 mortgage loan site acquisition reserve account described below, and borrowings under Global Signal OP's revolving credit facility. However, there can be no assurance that this offering will be successful or that we will sell shares as currently contemplated.

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 2003 along with certain additional communications sites we expect 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 December 17, 2004, the site acquisition reserve account had a balance of $85.5 million. The December 2004 mortgage loan requires monthly payments of interest until its maturity in December 2009. The weighted average interest rate on the various tranches of certificates 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 which we expect to have an aggregate acquisition cost of approximately $450.0 million, including fees and expenses, after all amounts in the site acquisition reserve have been used to fund acquisitions.

On December 3, 2004, Global Signal Operating Partnership, L.P., or Global Signal OP, entered into a 364-day $20.0 million revolving credit agreement with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, to provide funding for working capital and other general corporate purposes. Amounts available under the revolving credit facility are reduced to $15.0 million upon the earlier of June 3, 2005 or the completion of certain equity issuance by us in excess of $5.0 million, including this offering. Interest on the revolving credit facility is payable at our option, at either the London InterBank Offered Rate, or LIBOR, plus 3.0% or the bank's base rate plus 2.0%. The revolving credit facility contains covenants and restrictions standard for a facility of this type including a limitation on our consolidated indebtedness at $730.0 million. The revolving credit facility is guaranteed by Global Signal, Global Signal GP LLC and certain subsidiaries of Global Signal OP that are not party to the December or February 2004 mortgage loans. It is secured by a pledge of Global Signal OP's assets including a pledge of 65% of its interest in our United Kingdom subsidiary, 100% of its interest in certain other domestic subsidiaries and a pledge by Global Signal of 65% of its interest in its Canadian subsidiary.

On June 2, 2004, we completed our initial public offering of 8,050,000 shares of our common stock, including shares issued pursuant to the exercise of the underwriters' overallotment option, for $18.00 per share raising net cash proceeds of $131.2 million. The net cash proceeds were used in part to repay $33.4

million outstanding under our credit facility, and to fund the purchase of wireless communications towers by Pinnacle Towers Acquisition LLC, including the Tower Ventures Acquisition for $53.0 million.

On February 5, 2004, our largest 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, or February 2004 mortgage loan. The February 2004 mortgage loan requires monthly payments of principal and interest of approximately $2.4 million, bears interest at a weighted average interest rate of approximately 5.0% as of December 17, 2004, with a final maturity date of January 2029, however, the loan documents impose material penalties if we fail to repay the February 2004 mortgage loan on or prior to January 2009. The net 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. In connection with the repayment of our old credit facility, we also terminated our ability to borrow under its line of credit. The February 2004 mortgage loan restricts the ability of our largest operating subsidiary, Pinnacle Towers LLC, and its subsidiaries from incurring other indebtedness or further encumbering their assets. In addition, so long as the tangible assets of the borrowers under the February 2004 mortgage loan represent at least 25% of the assets of Global Signal Inc., it will be an event of default under the February 2004 mortgage loan if Global Signal Inc. incurs any unsecured indebtedness for borrowed money without confirmation from the rating agencies that rated the commercial mortgage pass-through certificates that none of the ratings will be adversely affected.

In addition, on February 6, 2004, we acquired all of the outstanding common stock of 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. Because this acquisition was a business combination among "entities under common control," we have accounted for it in a manner similar to a pooling of interests.

In connection with the acquisition of Pinnacle Acquisition's outstanding stock, we increased the capacity on our credit facility to $200.0 million, including a $5.0 million working capital line, and extended the maturity date to February 6, 2005. The maturity date was extended further to October 1, 2005, upon consummation of our initial public offering. On October 15, 2004, we amended and restated our $200.0 million credit facility with Morgan Stanley Asset Funding Inc. to, among other things, increase the commitment by the lenders to $250.0 million, to remove the $5.0 million working capital line previously included in the credit facility and to add Bank of America, N.A. as a lender. Borrowings under the amended and restated credit facility were limited based on a borrowing base equal to 65% of the value of acquired communications towers as defined in the credit facility agreement. We repaid the outstanding borrowings under our credit facility with a portion of the net proceeds from our December 2004 mortgage loan and terminated the facility.

Cash Flows

Net cash flows provided by operating activities were $59.5 million for the nine months ended September 30, 2004, compared to $46.5 million for the nine months ended September 30, 2003. The increase of $13.0 million of net cash flows provided by operating activities is primarily the result of higher cash flow being generated from operations primarily due to revenues from acquired towers and new leases as well as reductions of $0.9 million in cash flows used for working capital in the nine months ended September 30, 2004, as compared to $6.3 million of cash flows used for working capital in the nine months ended September 30, 2003. During the nine months ended September 30, 2003, we made payments of liabilities accrued prior to and in connection with our emergence from Chapter 11 bankruptcy which resulted in a decrease in our accounts payable and accrued expenses and cash flows from operating activities being used in working capital.

Net cash flows provided by operating activities were $59.2 million for the year ended December 31, 2003, compared to $20.9 million for the ten months ended October 31, 2002 and $7.2 million for the two months ended December 31, 2002. The increase in net cash flows provided by operating activities in 2003 was primarily related to (1) lower cash interest expense which is primarily a result of the forgiveness of $404.8 million of debt upon our emergence from bankruptcy and the repayment of debt under our old

credit facility from both the proceeds of the $205.0 million equity investment made in connection with our emergence from bankruptcy and operating cash flow generated in 2003, (2) lower selling, general and administrative expenses and (3) the absence of reorganization expenses in 2003. These items were in part offset by cash used in working capital in 2003 as a result of our payment during 2003 of accrued expense associated with our reorganization compared to cash provided by working capital in 2002, which is primarily the result of cash which was escrowed in 2001 being released from the escrow accounts in the ten months ended October 31, 2002.

Net cash flows provided by operating activities were $20.9 million for the ten months ended October 31, 2002, $7.2 million for the two months ended December 31, 2002 and $27.1 million for the year ended December 31, 2001. The increase is primarily attributable to (1) lower cash interest expense in the ten months ended October 31, 2002, (2) lower selling, general and administrative expenses in both the two months ended December 31, 2002 and the ten months ended October 31, 2002 and (3) cash being placed in escrow in 2001 which was released in the ten months ended October 31, 2002. These items were partially offset by reorganization expenses for the ten months ended October 31, 2002.

Net cash flows used in investing activities were $125.4 million for the nine months ended September 30, 2004 compared to $4.1 million for the nine months ended September 30, 2003. Investing activities for the nine months ended September 30, 2004 consisted of (1) the acquisition of Tower Ventures, and various other tower assets for $90.5 million, including fees and expenses, the purchase of interests in land under which we had previously held a leasehold interest for $3.5 million, and the purchase of the minority interest in our subsidiary, Pinnacle UK, Ltd., for $1.2 million, (2) the funding of restricted cash totaling $23.7 million into escrow accounts as deposits on future acquisitions and imposition reserve accounts as a part of our February 2004 mortgage loan transaction and (3) $7.4 million of capital expenditures related to our implementation of new software systems and improvements to our existing communications sites. These uses were, in part, offset by proceeds of $1.0 million from the disposals of under-performing sites. During the nine months ended September 30, 2003, our investing activities of $4.1 million related primarily to improvements and additions to our communications sites totaling $6.1 million, net of proceeds totaling $1.8 million from the disposal of under-performing sites, and $0.2 million provided by restricted cash.

Net cash flows used in investing activities were $36.2 million in 2003, $3.9 million for the ten months ended October 31, 2002 and $0.7 million for the two months ended December 31, 2002. Investing activities in 2003 consisted of (1) our acquisition of 68 towers located in the southeastern United States, (2) our acquisition of fee owned interest and long-term easements under several towers we own where we previously had a leasehold interest, and (3) additions and improvements to our communications sites offset by proceeds from the disposals of under-performing sites. During the ten months ended October 31, 2002 and the two months ended December 31, 2002, our investing activities of $3.9 million and $0.7 million, respectively, related almost exclusively to improvements and additions to our communications sites net of proceeds from the disposal of under-performing sites.

Net cash flows used in investing activities were $3.9 million for the ten months ended October 31, 2002, $0.7 million for the two months ended December 31, 2002 and $27.2 million for 2001. During the ten months ended October 31, 2002 and the two months ended December 31, 2002, net cash used in investing activities related almost exclusively to improvements and additions to our communications sites net of proceeds from the disposal of under-performing sites. During 2001, net cash used in investing activities included $20.8 million in acquisition related expenditures and $28.8 million in other capital asset purchases, offset by $22.4 million in proceeds from the sale of our wireline telephony co-location facilities.

Net cash flows provided by financing activities were $88.8 million for the nine months ended September 30, 2004 and are primarily related to (1) $418.0 million in borrowings associated with our mortgage loan transaction on February 5, 2004, (2) net cash proceeds of $131.2 million from the initial public offering, and (3) proceeds of $10.9 million from the exercise of common stock options and warrants. These funds were in part offset by (1) $235.9 million used to repay in full our old credit facility, (2) $33.4 million to repay the outstanding borrowings under our credit facility, (3) $4.2 million of principal paid on our February 2004 mortgage loan, (4) a $6.2 million payment to terminate the December 2003 interest rate swap, (5) debt issuance costs of $14.6 million related to our February 2004 mortgage loan, (6)

payments of $39.9 million in ordinary dividends, of which $20.2 million represents a return of capital, and (7) a $142.2 million one-time special distribution to our stockholders which represented a return of capital. Net cash used in financing activities for the nine months ended September 30, 2003 primarily consisted of $1.0 million of borrowings under our old credit facility and $38.9 million of principal repayments related to that same facility.

Net cash flows used in financing activities were $17.8 million in 2003, $22.1 million for the ten months ended October 31, 2002 and $9.6 million for the two months ended December 31, 2002. Net cash flows used in financing activities during 2003 primarily related to $44.0 million in net payments on outstanding debt offset by $28.0 million drawn on our credit facility, primarily utilized to make acquisitions. Net cash flows used in financing activities for the ten months ended October 31, 2002 included proceeds from our reorganization of $205.0 million offset by repayment of $115.0 million of our senior notes and convertible notes discharged in bankruptcy and $93.0 million in repayments on our old credit facility. Net cash flows used in financing activities for the two months ended December 31, 2002 consisted entirely of repayment of long-term obligations.

Net cash flows used in financing activities of $31.7 million for 2001 consisted primarily of $5.2 million of borrowings under the old credit facility offset by repayments of $32.8 million.

Capital expenditures were $7.4 million for the nine months ended September 30, 2004, compared to $6.1 million for the nine months ended September 30, 2003. The capital expenditures for these two periods primarily consisted of the purchase of tower-related equipment and tower augmentations and improvements which totaled $5.4 million and $5.5 million for the nine months ended September 30, 2003 and 2004, respectively. In addition we capitalized $2.7 million of costs related to our computer systems and software in the nine months ended September 30, 2004.

Capital expenditures were $28.8 million in 2001, $9.3 million in the ten months ended October 31, 2002, $0.8 million in the two months ended December 31, 2002 and $8.5 million in 2003. These capital expenditures primarily consisted of the purchase of tower-related equipment and tower augmentation and improvements.

As of September 30, 2004, we had two outstanding purchase agreements with unrelated sellers to acquire $184.0 million in communications site assets, associated with the Lattice and GoldenState acquisitions, described below.

On July 29, 2004, we signed a definitive agreement to purchase 237 wireless communications towers from Lattice Communications, LLC, for an aggregate purchase price of $119.1 million, including estimated fees and expenses. The towers derive approximately 91.9% of their revenue from wireless telephony tenants and subsidiaries of Cinergy Corp., or Cinergy. Cinergy has multi-year leases on many of these sites and utilizes these sites for its private communications and microwave network. The sites acquired are located primarily in Indiana, Ohio, Alabama, Kansas and Georgia. On October 29 and November 30, 2004, we closed on an aggregate of 189 of the Lattice Communications towers with a purchase price of $95.8 million, including estimated fees and expenses. We funded this purchase partly from cash held in escrow and partly from borrowings from our credit facility that was subsequently repaid with a portion of the proceeds from the December 2004 mortgage loan. The acquisitions of the remaining sites are expected to close in late December 2004 and various times during the first quarter of 2005. They are subject to customary closing conditions and may not be successfully completed. We expect to fund the remainder of the purchase price with $1.5 million of cash held in escrow and with cash from the site acquisition reserve account established with a portion of the proceeds from the December 2004 mortgage loan and cash held in escrow.

On September 29, 2004, we signed a definitive agreement to purchase all of the membership interests of GoldenState Towers, LLC ("GoldenState"), for an aggregate purchase price of $64.5 million, including estimated fees and expenses. GoldenState owns or operates 214 wireless communications 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 closed on November 14, 2004, and was partly funded with cash held in escrow and partly from borrowings under our credit facility.

Since September 30, 2004, we have entered into asset purchase agreements to acquire 289 communications sites from unrelated sellers, for a total estimated purchase price of $109.4 million,

including estimated fees and expenses of the purchases. As of December 17, 2004, we completed the acquisitions of 204 of these towers for an aggregate purchase price of $77.1 million.

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 for the acquisitions we have closed in 2004.

We have no material commitments for capital expenditures, other than planned site acquisitions, however, we anticipate our capital expenditures for tower related equipment and tower augmentations and improvements during 2004 to be comparable to our capital expenditures made during 2003, which was $8.5 million. In addition, we are currently upgrading our software systems. We have completed the initial implementation of our PeopleSoft software system for all of our accounting functions including accounts payable, accounts receivable and all internal reporting functions. We are also implementing a separate software system, manageStar, to manage data related to our communications sites, including tenant leases, ground leases and other operational data. For the nine months ended September 30, 2004, we have incurred $2.9 million of costs related to these implementations. We have obtained three-year financing for approximately $1.2 million of these costs related to new hardware and software. The remaining costs were paid from cash.

Contractual Commitments

The following tables provide a summary of our material debt, lease and other contractual commitments as of December 31, 2003 and September 30, 2004.

Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
			(dollars in thousands)		
As of December 31, 2003					
Old credit facility (1)(2)	$ 258,847	$ 37,766	$ 221,081	$ —	$ —
Seller note (2)(3)	244	17	34	193	—
Pinnacle UK note (2)	1,161	497	664	—	—
Credit facility (2)(4)	29,156	29,156	—	—	—
Operating lease payments	127,105	17,851	30,301	21,228	57,725
Monitoring fee obligations (5)	1,167	1,167	—	—	—
Asset retirement obligations (6)	42,239	654	470	884	40,231
Total contractual cash obligations at December 31, 2003 (7)	$ 459,919	$ 87,108	$ 252,550	$ 22,305	$ 97,956
As of September 30, 2004					
Operating lease payments	$ 130,918	$ 24,989	$ 38,977	$ 22,551	$ 44,401
Credit facility (4)	—	—	—	—	—
Asset retirement obligations (6)	48,316	795	584	838	46,099
February 2004 mortgage loan (2)(8)	500,441	28,216	56,987	415,238	—
Capital lease obligation (2)	1,160	464	696	—	—
Commitments under acquisition purchase agreements (9)	194,612	194,612	—	—	—
Total contractual cash obligations at September 30, 2004	$ 875,447	$ 249,076	$ 97,244	$ 438,627	$ 90,500

(1)The old credit facility was provided by a syndicate of lenders, with Bank of America, N.A. serving as the administrative agent. The facility was paid in full with the net proceeds of the February 2004 mortgage loan.

(2)Includes contractual interest for all fixed-rate debt instruments and assumes interest on variable rate instruments at the December 31, 2003 and September 30, 2004 rates.

(3)Seller note represents our obligation to an individual from whom we previously purchased five communications sites for an aggregate purchase price of $1.4 million. The acquisition was funded with cash as well as this note for $168,000 which bears interest at 10% per annum with a scheduled maturity date of June 18, 2008. The note was paid in full on February 5, 2004.

(4)This credit facility was provided by Morgan Stanley Asset Funding Inc. for the purpose of acquiring and developing strategically located towers and communications sites. This credit facility, which expires October 1, 2005, was amended on October 15, 2004, to, among other things, increase the total available commitment to $250.0 million and to add Bank of America N.A. as a lender. This credit facility was repaid and terminated concurrently with our December 2004 mortgage loan issuance.

(5)Reflects our obligation under the monitoring fee arrangement with Fortress and Greenhill. The monitoring fee arrangement terminated upon the consummation of our initial public offering and Fortress and Greenhill waived any right to receive any payment with respect to the monitoring fee for all periods after March 31, 2004 and, as a result, the obligation of $1.2 million was not and will not be paid.

(6) Reflects the future estimated cash payments after giving effect to estimated annual increases of 2.5% in expenses to dismantle our towers discounted at an average annual discount rate of approximately 13.0%. The liability is recorded in the financial statements at its present value.

(7) As of December 31, 2003 and September 30, 2004, we did not have any material purchase obligations other than obligations under contracts to acquire tower assets or, in the case of GoldenState its assets and operations, as all of our operational contracts are generally either month-to-month or have mutual cancellation clauses.

(8) The February 2004 mortgage loan has a final maturity date of January 2029, however the loan document imposes material penalties if we fail to repay the February 2004 mortgage loan on or prior to 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 will increase by a minimum of 5.0% and substantially all of the borrowers' excess cash flow from operations will be utilized to repay outstanding amounts due under the February 2004 mortgage loan. The actual amount of interest payable after the Anticipated Repayment Date is dependent on the amount of excess cash flow utilized to repay the February 2004 mortgage loan, the interest rate and the outstanding mortgage loan balance. Total contractual interest to be paid on the February 2004 mortgage loan is $20.5 million in the less than 1 year period, $40.1 in the 1 to 3 year period, $26.0 million in the 4 to 5 year period, assuming repayment of the outstanding balance on the Anticipated Repayment Date.

(9) Reflects our commitment as of September 30, 2004 under (i) an asset purchase agreement to acquire 237 wireless communications towers from Lattice Communications for $119.1 million, including estimated fees and expenses, (ii) a stock purchase agreement to acquire the assets and operations of GoldenState for $64.9 million, including estimated fees and expenses and (iii) 19 towers from 6 unrelated sellers for a total of $10.6 million including estimated fees and expenses. All of these acquisitions are expected to close in less than one year.

The February 2004 Mortgage Loan

Our largest operating subsidiary, Pinnacle Towers LLC, then known as Pinnacle Towers Inc., and 13 of its direct and indirect subsidiaries are borrowers under a $418.0 million mortgage loan payable to a newly formed trust, Global Signal Trust I, made on February 5, 2004. The trust simultaneously issued $418.0 million in commercial mortgage pass-through certificates with terms identical to the February 2004 mortgage loan. The February 2004 mortgage loan is secured by (1) mortgage liens on the borrowers' interests (fee, leasehold or easement) in more than 1,100 of our communications sites, (2) a security interest in substantially all of the borrowers' personal property and fixtures including our rights under substantially all of our site management agreements, tenant leases (excluding tenant leases for sites referred to in (1) above) and a management agreement with GS Services) and (3) a pledge of the capital stock (or equivalent equity interests) of each of the borrowers (including a pledge of the ownership interests of Pinnacle Towers from its direct parent). Our consolidated financial statements include the February 2004 mortgage loan but do not include the financial statements of the trust.

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 17, 2004, the weighted average interest rate on the various tranches was approximately 5.0%.

The borrowers are required to make monthly payments of principal and interest on the February 2004 mortgage loan. The amount of principal due each month will initially be calculated based on a 25-year amortization schedule, with a final maturity date of January 2029. However, the loan documents impose material penalties if the borrowers fail to repay the February 2004 mortgage loan on or prior to the monthly payment date in January 2009, including the following: accruing additional interest, requiring all excess cash flow after the payment of principal, interest, reserves and certain operating expenses, as defined to be applied to repay the loan, and at the election of the lender, transferring servicing of the sites to an unrelated third party.

If the debt service coverage ratio, defined in the February 2004 mortgage loan as the net cash flow for the sites for the immediately preceding twelve calendar month period divided by the amount of principal and interest that the borrowers will be required to pay over the succeeding twelve months on the February 2004 mortgage loan, as of the end of any calendar quarter falls to 1.45 times or lower, then all excess cash flow will be deposited into a reserve account instead of being released to us. The funds in the reserve account will not be released to us unless the debt service coverage ratio exceeds 1.45 times for two consecutive calendar quarters. If the debt service coverage ratio falls below 1.20 times as of the end of any calendar quarter, then all funds on deposit in the reserve account along with future excess cash flows will be applied to prepay the February 2004 mortgage loan. As of September 30, 2004, our debt

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service coverage ratio was 3.47. Our future debt service coverage ratio will be affected by our net cash flows which are primarily a result of new and existing leasing activities on our existing communications sites, our existing tenant credit worthiness and lease renewals, and the future expenses we incur to maintain our sites.

The borrowers may not prepay the February 2004 mortgage loan in whole or in part at any time prior to February 5, 2006, the second anniversary of the closing date, except in limited circumstances (such as the occurrence of certain casualty and condemnation events relating to the communications sites securing the February 2004 mortgage loan). Thereafter, prepayment is permitted provided it is accompanied by any applicable prepayment consideration. If the prepayment occurs within three months of the January 2009 monthly payment date, no prepayment consideration is due.

The February 2004 mortgage loan documents include covenants customary for mortgage loans subject to rated securitizations. Among other things, the borrowers are prohibited from incurring additional indebtedness or further encumbering their assets. In addition, so long as the tangible assets of the borrowers represent at least 25% of the total tangible assets of Global Signal Inc., it will be an event of default under the February 2004 mortgage loan if Global Signal Inc. incurs any unsecured indebtedness for borrowed money without confirmation from the rating agencies that rated the commercial mortgage pass-through certificates that none of the ratings will be adversely affected.

The December 2004 Mortgage Loan

On December 7, 2004, our subsidiary, Pinnacle Towers Acquisition Holdings LLC, and five of its direct and indirect subsidiaries became borrowers under a $293.8 million mortgage loan, or December 2004 mortgage loan. On that date, the December 2004 mortgage loan was securitized and is held by Global Signal Trust II, a New York common law trust, which issued pass-through certificates representing in the aggregate 100% of the beneficial interest in the December 2004 mortgage loan with terms identical to the December 2004 mortgage loan which was underwritten by Morgan Stanley and Banc of America Securities LLC, the representatives of the underwriters in this offering. 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. If any funds remain in the site acquisition reserve account at the end of this period, such amounts will be applied to the repayment of principal of the December 2004 mortgage loan, plus applicable prepayment penalties, instead of being released to the borrowers. The December 2004 mortgage loan is secured by, among other things, (1) mortgage liens on the borrowers' interests (fee, leasehold or easement) in substantially all of their wireless communications sites, (2) a security interest in substantially all of the borrowers' personal property and fixtures and (3) a pledge of the capital stock (or equivalent equity interests) of each of the borrowers (including a pledge of the equity interests of Pinnacle Towers Acquisition Holdings LLC from its direct parent, Global Signal Holdings III LLC).

The principal amount of the December 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 17, 2004, the weighted average interest rate on the various tranches was approximately 4.74%. The borrowers are required to make monthly payments of interest on the December 2004 mortgage loan until its maturity in December 2009 when the unpaid principal balance will be due.

If the debt service coverage ratio, defined in the December 2004 mortgage loan as the net cash flow for the sites for the immediately preceding twelve calendar month period (adjusted to account for new sites) divided by the amount of interest that the borrowers will be required to pay over the succeeding twelve months on the December 2004 mortgage loan, as of the end of any calendar quarter falls to 1.30 times or lower, then all excess cash flow will be deposited into a reserve account instead of being released to us. The funds in the reserve account will not be released to us unless the debt service coverage ratio exceeds 1.30 times for two consecutive calendar quarters. If the debt service coverage ratio falls below 1.15 times as of the end of any calendar quarter, then all funds on deposit in the reserve account along with future excess cash flows will be applied to prepay the December 2004 mortgage loan. As of December 7, 2004, the debt service coverage ratio was 2.20. The borrowers' future debt service coverage ratio will be

affected by their net cash flows which are primarily a result of new and existing leasing activities on their existing communications sites, their existing tenant credit worthiness and lease renewals, and the future expenses the borrowers incur to maintain their sites.

The borrowers may not prepay the December 2004 mortgage loan in whole or in part at any time prior to December 7, 2006, the second anniversary of the closing date, except in limited circumstances (such as the occurrence of certain casualty and condemnation events relating to the communications sites securing the December 2004 mortgage loan). Thereafter, prepayment is permitted provided it is accompanied by any applicable prepayment consideration. If the prepayment occurs within three months of the December 2009 monthly payment date, no prepayment consideration is due.

The December 2004 mortgage loan documents include covenants customary for mortgage loans subject to rated securitizations. Among other things, the borrowers are prohibited from incurring additional indebtedness or further encumbering their assets.

Revolving Credit Facility

On December 3, 2004, Global Signal Operating Partnership, L.P., or Global Signal OP, entered into a 364-day $20.0 million revolving credit agreement with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, to provide funding for working capital and other corporate purposes. Amounts available under the revolving credit facility are reduced to $15.0 million upon the earlier of June 3, 2005 or the completion of certain equity issuances by us in excess of $5.0 million, including this offering. Interest on the revolving credit facility is payable at our option of either the London InterBank Offered Rate, or LIBOR, plus 3.0% or the bank's base rate plus 2.0%. The credit facility contains covenants and restrictions standard for a facility of this type including a limitation on our consolidated indebtedness at $730.0 million. The revolving credit facility is guaranteed by Global Signal, Global Signal GP LLC and certain subsidiaries of Global Signal OP that are not party to the December and February 2004 mortgage loans. It is secured by a pledge of Global Signal OP's assets, including a pledge of 65% of its interest in our United Kingdom subsidiary, 100% of its interest in certain other domestic subsidiaries and a pledge by Global Signal of 65% of its interest in its Canadian subsidiary.

Previous Credit Facilities

On September 23, 2003, a majority of our stockholders formed a new corporation, Pinnacle Acquisition, then known as Pinnacle Towers Acquisition Inc., to acquire and develop strategically located towers and other communications sites. Pinnacle Acquisition was initially funded through a $100.0 million committed credit facility, provided by Morgan Stanley. On February 6, 2004, we exercised our option with respect to all the outstanding common stock of Pinnacle Acquisition, and Pinnacle Acquisition became our wholly owned subsidiary. See "Certain Relationships and Related Party Transactions — Pinnacle Towers Acquisition Holdings LLC." 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 including a $5.0 million working capital line and reduce the applicable margin for federal funds rate loans and LIBOR loans to 2.1175% and 2.50%, respectively. We extended the maturity date to February 6, 2005, which was further extended to October 1, 2005 upon consummation of our initial public offering. In addition, we pledged 100% of our ownership interest in Pinnacle Acquisition and replaced Pinnacle Acquisition's former stockholders as guarantor under the credit facility. 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 the guarantor and the pledgor under the credit facility. In addition, upon consummation of our initial public offering Global Signal OP was no longer required to pledge its ownership interest in Pinnacle Acquisition. Our stockholders' pledge of stock was released and our stockholders were no longer required to guarantee the credit facility. We repaid all outstanding debt under the credit facility with proceeds from our initial public offering. As of September 30, 2004, there were no outstanding borrowings under the credit facility and $166.6 million remained to fund future tower acquisitions. As of September 30, 2004, $76.4 million was available, based on the borrowing base, to fund future acquisitions. On October 15, 2004, we amended and restated the credit facility to, among other things, increase the commitment by the lenders to $250.0

million, to remove the $5.0 million working capital line and to add Bank of America, N.A. as a lender. The credit facility was secured by substantially all of Pinnacle Acquisition's tangible and intangible assets and by a pledge of Global Signal's 5% equity interest in Global Signal REIT Savings TRS, Inc. (the remaining 95% of the equity having been pledged by Pinnacle Acquisition).

Borrowings under the credit facility were limited based on a borrowing base, which was calculated as 65% of the value of all towers owned, leased or managed by Pinnacle Acquisition or its subsidiaries. As of September 30, 2004, $76.4 million remained available to fund future acquisitions. Borrowings under the credit facility bore interest, at our option, at either the federal funds rate plus 2.1175% per annum or LIBOR plus 2.50% per annum. The credit facility contained typical representations and covenants for facilities of this type, including, but not limited to restrictions on our ability to (1) incur consolidated indebtedness in excess of $685.0 million and (2) permit our leverage ratio, defined as the ratio of debt for borrowed money, to consolidated EBITDA, to be greater than 6:1. The credit facility required a commitment fee of $1.25 million which has been paid. We repaid the outstanding borrowings under the credit facility with a portion of the proceeds from our December 2004 mortgage loan and terminated the facility. As a result, we expensed the remaining unamortized deferred financing cost of approximately $0.4 million in December 2004.

Prior to the issuance of the February 2004 mortgage loan in 2004, our largest operating subsidiary, Pinnacle Towers LLC, then known as Pinnacle Towers Inc., and 13 of its direct and indirect subsidiaries, were party to an amended and restated bank credit facility, which provided a term loan for $275.0 million with outstanding borrowings totaling $235.0 million at December 31, 2003 and a revolving line of credit of $15.0 million with no borrowings outstanding at December 31, 2003. This old credit facility was provided by a syndicate of lenders, for which Bank of America, N.A. served as the administrative agent. The amount available under our line of credit was reduced, at our option, from $30.0 million to $15.0 million. Interest on both the term loan and revolving line of credit was charged at our option, at either LIBOR plus 4.5% or our agent bank's base rate plus 3.5%. In addition, we were required to pay a commitment fee of 1.0% per annum in respect of the undrawn portion of the revolving line of credit. In connection with our issuance of the February 2004 mortgage loan, we repaid all outstanding amounts due under the term loan and terminated the old credit facility's line of credit. As a result, we expensed the remaining unamortized deferred financing expenses of approximately $8.4 million in February 2004.

Interest Rate Swap Agreements

On December 11, 2003, in anticipation of the issuance of the February 2004 mortgage loan, Pinnacle Towers LLC entered into an interest rate swap agreement with Morgan Stanley as the counter party to hedge the variability of expected future interest payments under the February 2004 mortgage loan. Under the swap agreement, Pinnacle Towers 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 the three month LIBOR on the notional amount for the same five-year period. The swap, effective on December 11, 2003, 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 1.13% on February 5, 2004, on the notional amount of $400.0 million. The swap was terminated in connection with the issuance of the February 2004 mortgage loan at a cost to us of $6.2 million.

On March 26, 2004 and August 27, 2004, in anticipation of acquisitions of additional communications sites and the issuance of the December 2004 mortgage loan, we entered into six interest rate swaps with Morgan Stanley as counterparty to hedge the variability of future interest rates on our anticipated mortgage financing. 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 and 3.84% on a total notional amount of $100.0 million beginning in October 2004 through April 2009 in exchange for receiving the three month LIBOR on the same notional amounts for the same period. Concurrent with the pricing of the December 2004 mortgage loan, we terminated the six interest rate swaps and received a net payment of $2.0 million. Because the $300.0 million total notional value of the six interest rate swaps exceeded $293.8 million principal amount of the December 2004 mortgage loan, we will recognize approximately $40,000 as additional interest expense, related to one of the August 2004 swaps, during the fourth quarter of 2004.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported amounts of assets and liabilities, revenues and expenses. We consider an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate, or different estimates that could have been selected, could have a material impact on our consolidated results of operations or financial condition. We have identified the following critical accounting policies that affect the more significant estimates and judgments.

Revenues

Site operations revenues are recognized when earned based on lease and license agreements. Rate increases based on fixed escalation clauses that are included in certain lease and license agreements are recognized on a straight-line basis over the term of the lease or license. Revenues from fees, such as engineering and site inspection fees, are recognized upon delivery of the related products and services to the customer.

A portion of the revenue we generate is related to the management of wireless communications towers and sites on rooftops owned by third parties. Under most of the site management agreements, we lease space from the third party under an operating lease and we then sublease that space or a portion of that space to our tenants. We recognize these tenant revenues on a gross basis. For 21 of our managed sites, we earn a fee based on a percentage of the gross revenues derived from the rooftop site subject to the agreement and we recognize these fee revenues when earned on a net basis.

We evaluate our revenues based on the criteria of SAB 101, Revenue Recognition in Financial Statements, which allows us to only recognize revenues if collectability is reasonably assured at the time of sale. In instances where collectibility is not reasonably assured, we recognize revenues as cash is collected.

Allowance for Uncollectible Accounts

We evaluate the collectibility of our accounts receivable and our straight-line receivable resulting under SFAS No. 13, Accounting for Leases, based on a combination of factors. In circumstances where we are aware that a specific customer's ability to meet its financial obligations to us is in question (for example, bankruptcy filings, default status of their account), we record a specific allowance against amounts due to reduce the net recognized receivable and related income from the customer to the amount we reasonably believe to be collectible. For all other customers, we reserve a percentage of the remaining outstanding accounts receivable balance based on a review of the aging of customer balances, industry experience and the current economic environment. If circumstances change (for example, higher than expected defaults or an unexpected material adverse change in one or more significant customers' ability to meet their financial obligations to us), our estimates of recoverability of amounts due us could be reduced by a material amount.

Property and Equipment

Property and equipment built, purchased, leased or licensed under long-term leasehold or license agreements are recorded at cost less impairment losses, if any, and depreciated over their estimated useful lives. Those assets owned at November 1, 2002 were revalued and recorded at reorganization value, which approximated fair value at that date, in accordance with fresh start accounting. We capitalize expenses incurred in bringing property and equipment to an operational state. Expenses clearly associated with the acquisition, development and construction of property and equipment are capitalized as a cost of the assets. Indirect expenses that relate to several assets are capitalized and allocated to the assets to which the expenses relate. Indirect expenses that do not clearly relate to projects under development or construction are charged to expense as incurred. Depreciation on towers is computed using the straight-line method over the estimated useful lives of 13 years for towers owned at November 1, 2002 and 15 years for towers built or acquired after that date. Depreciation on property and equipment excluding towers is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years.

In connection with the adoption of fresh start accounting on November 1, 2002, we re-established, for financial reporting purposes, the remaining estimated useful lives for tower assets owned at November 1, 2002, to 13 years. In addition, during the nine months ended September 30, 2004, we obtained third party appraisals of certain tower assets acquired and as a result established a 16 year life for these newly acquired tower assets. Other than the change in depreciable lives of tower assets owned at November 1, 2002, for the nine months ended September 30, 2004, year ended December 31, 2003, two months ended December 31, 2002, ten months ended October 31, 2002 and year ended December 31, 2001 no significant changes were made to the depreciable lives applied to operating assets, the underlying assumptions related to estimates of depreciation, or the methodology applied. If the estimated lives of all assets being depreciated were increased by one year, the consolidated depreciation expense would have decreased by approximately $1.9 million, or 7.2%, for 2003. If the estimated lives of all assets being depreciated were decreased by one year, the consolidated depreciation expense would have increased by approximately $2.7 million, or 10.3%, for 2003.

Intangible Assets

Intangible assets post reorganization include goodwill, lease absorption value, leasehold interest and lease origination value recognized in accordance with fresh start accounting and at the time of acquisitions arising after our adoption of SFAS No. 141.

Goodwill represents the aggregate purchase price of communications site acquisitions in excess of the fair value of the acquisitions. Negative goodwill is allocated to tangible and intangible assets on a pro rata basis. Goodwill will be evaluated for impairment on an annual basis or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. As of September 30, 2004, we had recorded approximately $2.2 million in goodwill related to our acquisitions of communications sites during the second and third quarters of 2004.

Lease absorption value, which was also recorded in connection with our adoption of fresh start accounting and other acquisitions, represents the value attributable to in-place leases. This intangible represents the lease rentals which the company would have foregone during the period of time required to attract a new tenant lease for each of the tenant leases in-place at the date of the company's fresh start accounting or business combinations. In connection with our fresh start accounting, we recorded lease absorption value at $127.3 million and $37.7 million in connection with the acquisitions made since December 2003. The lease absorption value is being amortized over the remaining contractual term of the in-place leases and their expected renewals, in an accelerated manner consistent with the lease revenues associated with the in-place leases and their expected renewals. We evaluate our lease absorption value for impairment when indicators of impairment arise by determining the ability of the in-place leases at the time lease absorption value was established to generate future cash flows sufficient to recover the unamortized balance over the remaining useful life. We estimate future cash flows based primarily on the current performance of the in-place leases and our expectations for the future. If lease absorption value is determined to be unrecoverable, the carrying amount will be reduced to its estimated fair value in the period in which such determination is made. If the estimated lives of the lease absorption value being amortized were increased by one year, the consolidated amortization expense would have decreased by approximately $1.3 million or 10.0%, for 2003. If the estimated lives of the lease absorption value being amortized were decreased by one year, the consolidated amortization expense would have increased by approximately $1.3 million, or 9.9%, for 2003.

Leasehold interests represent our interest as a tenant in various rooftops and other leased telecommunications sites and are stated at cost except those existing at November 1, 2002, which were revalued in accordance with fresh start accounting. Leasehold interests are amortized over four years, using the straight line method. We evaluate our leasehold interest for impairment as indicators of impairment arise by determining the ability of the leasehold interests to generate future cash flows sufficient to recover the unamortized balance over the remaining useful life. We estimate future cash flows based primarily on the current performance of the in-place leases and our expectations for the future. If leasehold interests are determined to be unrecoverable, the carrying amount will be reduced to its estimated fair value in the period in which such determination is made. If the estimated lives of the leasehold interests being amortized were increased by one year, the consolidated amortization expense

would have decreased by approximately $1.1 million or 22.5%, for 2003. If the estimated lives of the leasehold interests being amortized were decreased by one year, the consolidated amortization expense would have increased by approximately $1.4 million, or 29.1%, for 2003.

Lease origination value was recorded as an intangible asset in connection with our adoption of fresh start accounting and represents the value associated with the "cost avoidance" of acquiring an in-place lease. Fair value of this intangible was determined based on our estimate of the incremental cost (primarily sales commissions) to replace all leases with greater than three years remaining on the current term. This intangible was valued at $2.7 million in connection with our fresh start accounting and $1.7 million in connection with the acquisitions made since December 2003 and is being amortized over the remaining contractual lease terms and expected renewals. Similar expenses incurred prior to and subsequent to fresh start accounting are expensed because the amounts have been immaterial to our operations. We evaluate our lease origination value for impairment as indicators of impairment arise by determining the ability of the assets acquired to generate future cash flows sufficient to recover the unamortized balance over the remaining useful life. We estimate future cash flows based primarily on the current performance of the acquired assets and our business plan for those assets. Changes in business conditions, major customers or other factors could result in changes in those estimates. If lease origination value is determined to be unrecoverable, the carrying amount will be reduced to its estimated fair value in the period in which such determination is made. If the estimated lives of the lease origination value being amortized were increased or decreased by one year, the consolidated amortization expense would have changed by an immaterial amount for 2003.

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment, and purchased intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset (if any) are less than the carrying value of the asset. When an impairment is identified, the carrying amount of the asset is reduced to its estimated fair value. Effective January 1, 2002, potential impairment of long-lived assets other than goodwill and purchased intangible assets with indefinite useful lives is evaluated using the guidance provided by SFAS No. 144, Accounting for the Impairment or Disposal of Long-lived Assets.

Goodwill is evaluated for impairment using the guidance provided by SFAS No. 142, Goodwill and Other Intangible Assets, at least annually or more often if indicators of impairment arise.

Asset Retirement Obligation

Effective with our emergence from Chapter 11, we adopted SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 addresses the accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated retirement expenses and requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. We recorded an asset retirement obligation of $5.3 million for our estimated future obligation to dismantle towers on leased land sites using discounted cash flows of expected dismantling expenses. We used a discount factor of 13% and an annual cost increase factor of 2.5%. If our estimates regarding the future cost to dismantle these sites had increased by 10% the original liability recorded would have increased by $0.5 million or 10.0%.

Stock-Based Compensation Expense

When we grant stock options to employees, we are required to compare the fair value of the stock to the exercise price on the date of grant to determine if compensation expense must be recognized. We also provide pro forma disclosures reflecting the impact of employee stock options using the fair value method, rather than the intrinsic value method. We use the Black-Scholes method to calculate this pro forma impact.

When we grant stock options to non-employees for services, we measure the compensation expense related to those options at their vesting date using the Black-Scholes method, and recognize the expense

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ratably over the service period. Prior to the vesting date, the expense is recognized based on the fair value of the options at the end of each financial reporting period, also using the Black-Scholes method.

The Black-Scholes method requires us to use assumptions related to the fair value of our stock, the expected life of the options, volatility, the risk-free interest rate and the dividend yield.

Derivatives

We occasionally enter into interest rate swaps to effectively fix the variable-interest rates of certain of our debt instruments, and must recognize these derivatives at their fair value on our balance sheet. While we generally obtain this fair value information from the counterparty, this valuation includes certain assumptions about market conditions.

Income Taxes

We review our deferred tax assets on a regular basis to evaluate their recoverability based on projections of the turnaround timing of our deferred tax liabilities, projections of future taxable income, and tax planning strategies that we might employ to utilize such assets, including net operating loss carryforwards. Unless it is "more likely than not" that we will recover such assets through the above means, we establish a valuation allowance. If our projections of tax turnarounds and future taxable income, or our tax planning strategies change, we may be required to increase our valuation allowance to reduce the deferred tax assets.

Recently Issued Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities. FIN No. 46 requires an investor with a majority of the variable interests in a variable interest entity ("VIE") to consolidate the entity and also requires majority and significant variable interest investors to provide certain disclosures. A variable interest entity is an entity in which the equity investors do not have a controlling interest, or the equity investment at risk is insufficient to finance the entity's activities without receiving additional subordinated financial support from the other parties. For arrangements entered into with variable interest entities created prior to February 1, 2003, the provisions of FIN No. 46 are effective in fiscal periods ending after December 31, 2003. The provisions of FIN No. 46 are effective immediately for all arrangements entered into with new variable interest entities created after January 31, 2003. We do not believe we have any investments in variable interest entities as of September 30, 2004 that would require a change in our consolidation policy, and thus do not expect the impact of FIN No. 46 to be material to our financial statements at this time. While we do not currently expect to enter into any types of VIE arrangements, if we did so the impact could be material.

In December 2004, the FASB issued its SFAS No. 123(R) Share-Based Payment, which is a revision to SFAS No. 123, Accounting for Stock-Based Compensation. Generally, the approach in the new pronouncement is similar to the approach described in SFAS No. 123. However, SFAS No. 123(R) would require all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. The pronouncement is effective for us as of the first interim or annual reporting period beginning after June 15, 2005. As of the required effective date, we will apply this Statement using a modified version of prospective application. Under that transition method, compensation cost for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date shall be recognized as the requisite service is rendered on or after the required effective date, based on the grant date fair value of those awards calculated under SFAS No. 123. We have not yet determined the effect of the new standard on our financial statements.

Inflation

Some of our expenses, such as those for tower operating expenses, wages and benefits, generally increase with inflation. In addition, many of our tenant leases and ground leases contain fixed escalations or escalations based on the anticipated rise in the consumer price index. However, we do not believe that our financial results have been, or will be, adversely affected by inflation in a material way.

Non-GAAP Financial Measures

Adjusted EBITDA

We define adjusted EBITDA as net income before interest, income tax expense (benefit), depreciation, amortization, and accretion, non-cash stock based compensation expense and gain or losses on the extinguishment of debt. Adjusted EBITDA is not a measure of performance calculated in accordance with accounting principles generally accepted in the United States, or "GAAP."

We use adjusted EBITDA as a measure of operating performance. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities or other income statement or cash flow statement data prepared in accordance with GAAP.

We believe adjusted EBITDA is useful to an investor in evaluating our operating performance because:

- it is one of the primary measures used by our management to evaluate the economic productivity of our operations, including the efficiency of our employees and the profitability associated with their performance, the realization of contract revenues under our tenant leases, our ability to obtain and maintain our customers and our ability to operate our leasing business effectively;
- it is widely used in the wireless tower industry to measure operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting

methods and the book value of assets; and

- we believe it helps investors meaningfully evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results.

Our management uses adjusted EBITDA:

- in presentations to our board of directors to enable it to have the same measurement of operating performance used by management;
- for planning purposes, including the preparation of our annual operating budget;
- for compensation purposes, including as the basis for annual incentive bonuses for certain employees;
- as a valuation measure in strategic analyses in connection with the purchase and sale of assets;
- with respect to compliance with our prior credit facility that we repaid with a portion of the net proceeds of the December 2004 mortgage loan, which required us to maintain certain financial ratios based on Consolidated EBITDA, which is equivalent to adjusted EBITDA except that Consolidated EBITDA (i) annualizes the adjusted EBITDA contribution from newly acquired towers until such towers have been owned for twelve months and (ii) excludes asset impairment charges, gains or losses on foreign currency exchange and certain other non-cash charges; we expect any future credit facilities we obtain to contain similar financial ratios based on Consolidated EBITDA; and
- as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results.

There are material limitations to using a measure such as adjusted EBITDA, including the difficulty associated with comparing results among more than one company and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income or loss. We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income. Adjusted EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP.

The table below shows adjusted EBITDA for the year ended December 31, 2001 and the ten months ended October 31, 2002, for the predecessor company and the two months ended December 31, 2002, the year ended December 31, 2003, and the nine months ended September 30, 2003 and 2004 for the successor company. We have also provided supplemental information regarding certain non-cash items, items associated with discontinued operations and items associated with our reorganization.

Predecessor Company	Successor Company