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.

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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

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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.

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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.

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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

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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

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.

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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

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

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.

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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.

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

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(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.

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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 ders	$ (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	
	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	December 31, 2003	September 30, 2003	Historical	Pro Forma As Adjusted
Balance Sheet Data:	(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

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.

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.

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	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,

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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

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.

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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					
Year Ended December 31,	Ten Months Ended October 31,	Two Months Ended	Year Ended December 31,	Pro Forma As Adjusted	Nine Months Ended	Nine Months Ended	Pro Forma As Adjusted

	2001	2002	December 31, 2002	2003	Year Ended December 31, 2003	September 30, 2003	September 30, 2004	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 debt	—	(404,838)	—	—	8,838	—	8,449	8,838
Non-cash stock based compensation expense	—	—	—	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 properties	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)

Adjusted Funds From Operations

We believe adjusted Funds From Operations, or 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. AFFO, for our purposes, represents net income available for common stockholders (computed in accordance with GAAP, excluding gains (or losses) on the disposition of real estate assets and real estate depreciation, amortization and accretion and non-cash stock based compensation expense.

AFFO does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indicator of our operating performance or as an alternative to cash flow provided by operations as a measure of liquidity and is not necessarily indicative of funds available to fund our cash needs including our ability to pay dividends. In addition, AFFO may not be comparable to similarly titled measurements employed by other companies.

Our management uses AFFO:

- in monthly management reports given to our board of directors;

- to provide a measure of our REIT operating performance that can be compared to other companies using AFFO; and
- as an important supplemental measure of operating performance.

Adjusted Funds From Operations is calculated as follows (unaudited):

	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 sale of properties	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	$ (321,068)	$ (72,877)	$9,605	$62,570	$60,244	$46,440	$52,995	$54,508

Operations
(AFFO)

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to market risks from changes in interest rates charged on our long-term debt. The impact on earnings and value of our long-term debt is subject to change as a result of movements in market rates and prices. As of December 31, 2002 and 2003, pursuant to the requirements of our old credit facility, we had $275.0 million and $235.0 million, respectively, in long-term debt, subject to variable interest rates of which $130.0 million was effectively hedged at December 31, 2002 using interest rate swap agreements for the periods. Our variable rate debt under our old credit facility, net of hedged amounts, exposed to changes in market interest rates was $235.0 million and $145.0 million as of December 31, 2002 and 2003, respectively.

As of December 31, 2002 and 2003, the total variable rate debt outstanding had weighted average interest rates of 6.1% and 5.6%, respectively. A 1% increase in the interest rate on our variable rate debt would have increased interest expense by approximately $2.6 million and $0.3 million on an as adjusted basis.

The following table presents the future principal payment obligations and weighted-average interest rates at September 30, 2004, associated with our existing long-term debt instruments assuming our actual level of long-term indebtedness of $1.0 million under capital leases to finance new computer software and $413.8 million under our February 2004 mortgage loan.

	Weighted Average Interest Rate	Total	Expected Maturity Date – Twelve months ended September 30, 2005	2006	2007	2008	2009	Thereafter
			(dollars in thousands)					
Long-term obligations:								
Variable rate:								
Credit facility	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$
Total variable rate debt	—	—	—	—	—	—	—	
Fixed rate:								
Mortgage loan	5.0%	$413,794	$ 7,706	$ 8,182	$ 8,686	$ 9,222	$379,998	$
Capital lease obligation	10.3%	1,019	377	417	225	—	—	
Total debt		$414,813	$ 8,083	$ 8,599	$ 8,911	$ 9,222	$379,998	$

Foreign Currency Exchange Risk

Our exposure to adverse movements in foreign currency exchange rates is primarily related to our subsidiaries' operating expenses, primarily in the United Kingdom and Canada, denominated in the respective local currency. A hypothetical change of 10% in foreign currency exchange rates would not have a material impact on our consolidated financial statements or results of operations.

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INDUSTRY

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 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. During the year ended December 31, 2003, our average capital expenditure for the maintenance of our owned towers was less than $1,250 per tower.
- 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 wireless 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 acquisitions opportunities.

Industry Overview

Like many other real estate businesses, the wireless communications site business is characterized by a stable cash flow stream that is generated from tenant leases, a fixed cost base with additional leases providing high operating leverage and requiring minimal annual capital investments to maintain existing communications sites. Typically, telephony wireless tenants enter into three to five year leases with three to five renewal options of similar duration at the option of the tenant. The leases usually include annual rental rate increases, or escalators, of three to five percent. A tower can accommodate anywhere from one to 30 tenants or more, depending on the size and strength of the tower and the type of equipment that each tenant needs to install. Typically, however, the average tower will accommodate three to six telephony tenants.

The direct expenses associated with operating the tower consist of ground lease rent, property insurance, utilities, property taxes and site maintenance and monitoring expenses. Most ground leases consist of an initial five to ten year term with multiple five to ten year renewal terms and often provide for annual escalators similar to those in the tenant leases. The magnitude of the other direct expenses associated with operating the tower vary from site to site depending on the taxing jurisdiction and the height and age of the tower but typically do not make up a large percentage of total operating expenses. The ongoing maintenance requirements are typically minimal and include replacing lighting systems, maintaining common shelters, maintaining heating, ventilation and cooling systems in the common shelters, painting a tower or upgrading or repairing an access road or fencing.

Given the fixed nature of the direct expenses of a single tower, there is significant operating leverage in the economic model through the addition of multiple tenants to a single tower. For example, on a single

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hypothetical tower with one tenant paying approximately $18,000 per year in rent to lease site space, and annual operating expenses of approximately $12,000, which is the approximate average direct operating expenses for a telephony site with a ground lease, the gross margin would be $6,000, or 33%. If a second tenant is added to the tower, there would be an additional approximately $18,000 of annual revenues and minimal additional operating expenses (assume $1,000), providing for a gross margin of approximately $23,000, or 64%, or almost twice the gross profit margin with only one tenant.

Wireless communications service providers tend to invest significant amounts of capital in their network design and the purchase and installation of their base station equipment and therefore have difficulty moving their equipment to another competitive tower without altering their network architecture and incurring significant relocation expenses. In some cases, a customer can invest as much as $250,000 in the equipment and its installation at a communications tower site and often that equipment is optimized for a specific location. If a customer decides to move its equipment and switch site providers, it will have to invest additional capital which could be as much as $75,000 to redeploy equipment to another tower site. Given the significant expense in modifying wireless network architecture, relative to the monthly rental payments, customers infrequently move their equipment to another tower site.

The significant capital and regulatory requirements involved in developing and obtaining permits for a communications tower provide important competitive barriers to entry. The cost of constructing a new tower can range from $175,000 to $250,000 or more, depending on several variables including the height and various zoning and permitting expenses. In many jurisdictions, the local zoning requirements make it difficult to get permission to build a new tower. Furthermore, once a tower has been permitted and constructed, the local authorities often require that potential new wireless tenants attempt to locate on existing towers prior to permitting the construction of a new tower. As a result, it is often administratively difficult and usually not economically worthwhile to build a competitive tower close to another operator's tower site.

Existing Towers

In general, wireless communications towers are vertical metal structures of three types: guyed towers, lattice towers and monopole towers.

- Guyed towers generally range in height between 200 and 2,000 feet and are supported by cables attached at different levels on the tower that run to anchor foundations in the ground. Guyed towers typically have the capacity to accommodate wireless communications equipment for up to 30 tenants or more, depending on their design.
- Lattice towers generally range in height between 150 and 400 feet and are self-supporting with three or four legs that taper up from the bottom and join either at the top of the tower or at a lower location from which a fully vertical extension rises. They typically have the capacity to

accommodate wireless communications equipment for up to 12 tenants, depending on their design.

- Monopole towers generally range in height between 50 and 200 feet and are self-supporting vertical tubular structures that are lighter than other tower types and typically have the capacity to accommodate wireless communications equipment for up to five tenants, depending on their design.

Wireless communications equipment may also be placed on building rooftops or other structures. Rooftop sites are common in urban areas where tall buildings are available and zoning restrictions render tower construction difficult, and where multiple communications sites are required because of relatively higher volume and density of wireless traffic. The types of technology and number of tenants that may be accommodated at any particular rooftop depend on the construction and height of the building, the area of its rooftop available for use and the types of wireless communications equipment that tenants seek to deploy.

Market Demand

The key demand drivers for additional tenants locating on existing sites and new tower sites are (1) the growth in wireless communication services including the deployment of new technologies and (2) the

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growth in the number of new wireless subscribers and the volume of their use of the wireless technology. There are numerous distinct wireless technologies in broad use today and we believe that the number of wireless communication technologies that can be deployed on communications towers will increase over time.

Because of the continuing growth in the number of wireless telephony subscribers and the minutes each subscriber uses, we have seen, and expect to continue to see over the next several years, a higher percentage of growth coming from telephony customers.

Increasing subscriber demand is driving the current expansion of telephony service providers' transmission networks. According to independent industry analysts, the number of wireless subscribers in the United States grew from 61 million in June 1998 to 169 million as of June 2004, or a compound annual growth rate of more than 18% per year. This number is projected by some industry analysts to grow to over 200 million by the end of 2008.

Furthermore, we believe that the introduction of wireless number portability, which allows wireless subscribers to change local carriers without having to change their mobile number, has increased the pressure on the major carriers to provide higher quality network service and improved coverage to combat customer churn. In addition, the FCC's rules requiring wireline to wireless number portability in all areas of the U.S. may allow the wireless carriers to expand their market base and continue to grow the number of their subscribers.

Business 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 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.

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 debt had a weighted average fixed interest rate of approximately 5.0% as of September 30, 2004.

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 Existing Communications Sites. We believe that we can take advantage of our site capacity and locations, strong customer relationships and operational expertise to attract new tenants to our existing communications sites.
- Expand our Communications Sites Network Through Acquisition and Development of Towers. We plan to purchase or develop towers in 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. We believe that telephony tenants provide a stable revenue stream and that there is a high liklihood of multiple tenants lease renewals. Since 1998, we have experienced churn as a result of non-renewal and other lease terminations from our telphony tenants of less than 1% of annualized telephony revenues.
- 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, of which 89% are guyed or lattice 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. Our tenants include a wide variety of wireless service providers, government agencies, operators of private networks and broadcasters.

• 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. For example, we have recently completed a digital library that provides us with easy access to our key records and allows us to rapidly respond to customer requests and to deploy new tenants on our sites.

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• 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.

Communications Sites

As of September 30, 2004, we owned or managed a total of 3,387 wireless communications towers, rooftops and other communications sites. The average number of tenants on all of our towers, rooftops and land sites is 4.0. As of September 30, 2004, our top 1,000 communications sites, by gross margin for the nine months ended September 30, 2004, had an average of 7.1 tenants per communications site and contributed 78% of gross margin. No single communications site accounted for more than 1% of the gross margin for the twelve months ended December 31, 2003, or the nine months ended September 30, 2004. We routinely review and dispose of sites which generate negative cash flows and for which the growth prospects are not compatible with our strategy. During 2003 and the nine months ended September 30, 2004, we disposed of 134 sites and 62 sites, respectively, of which 125 and 60, respectively, were managed sites.

The table set forth below outlines the number and type of our communications sites and the number of tenant leases as of September 30, 2004, as well as the relative contribution to our revenues and gross margin for the year ended December 31, 2003 and the nine months ended September 30, 2004.

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Type of Communications Sites

As of September 30, 2004	For the Nine Months Ended September 30, 2004	For the Year Ended December 31, 2003

Type of Communications Sites	Number of Communications Sites	Number of Tenant Leases	Aggregate Revenues	Percentage of Total Revenues	Gross Margin	Percentage of Total Gross Margin	Aggregate Revenues	Percentage of Total Revenues	Gross Margin	Percentage of Total Gross Margin
					(dollars in thousands)					
Owned										
Towers										
Guyed	1,420	5,708	61,130	46%	47,386	51%	$ 76,488	45%	$ 57,467	51%
Lattice	694	2,916	35,430	27%	26,974	29%	43,555	26%	32,941	29%
Monopole	258	792	9,563	7%	7,675	8%	9,406	6%	7,467	6%
Total	2,372	9,416	106,123	80%	82,035	88%	129,449	77%	97,875	86%
Other communications sites										
Land	239	237	1,706	1%	1,630	2%	2,226	1%	2,033	2%
Rooftop	17	79	974	1%	674	1%	1,360	1%	1,014	1%
Total	256	316	2,680	2%	2,304	3%	3,586	2%	3,047	3%
Owned sub-total	2,628	9,732	108,803	82%	84,339	91%	133,035	79%	100,922	89%
Managed										
Towers										
Guyed	206	700	5,523	4%	2,024	2%	8,138	5%	2,829	3%
Lattice	149	460	4,278	3%	1,617	2%	5,178	3%	1,838	2%
Monopole	7	23	257	0%	94	0%	468	0%	196	0%
Total	362	1,183	10,058	7%	3,734	4%	13,784	8%	4,863	5%
Other communications sites										
Land	19	30	300	0%	176	0%	399	0%	224	0%
Rooftop	378	1,506	14,964	11%	4,585	5%	22,015	13%	6,881	6%
Total	397	1,536	15,264	11%	4,761	5%	22,414	13%	7,105	6%
Managed sub-total	759	2,719	25,322	18%	8,496	9%	36,198	21%	11,968	11%
Total	3,387	12,451	134,125	100%	92,835	100%	$169,233	100%	$112,890	100%

We further classify our owned sites into core telephony owned sites, defined as those sites that have or have at one point had a telephony tenant, and non-telephony sites, defined as those sites that have never had a telephony tenant. The table below sets forth the revenue and gross profit for our core telephony sites, non-telephony sites and managed sites for the nine months ended September 30, 2003 and 2004.

	No. of Communications Sites as of September 30,	For the Nine Months Ended September 30, 2004		For the Nine Months Ended September 30, 2003		Change	
		$	Percent of Total	$	Percent of Total	$	Percent Change

	2004						
				(dollars in thousands)			
Revenues							
Core owned telephony communications sites	1,570	$ 86,268	64.3%	$ 80,092	64.1%	$ 6,176	7.7%
Acquired telephony communications sites	171	4,385	3.3%	—	—	4,384	100.0%
Total telephony communications sites	1,741	90,653	67.6%	80,092	64.1%	10,560	13.2%
Non-telephony communications sites	887	18,128	13.5%	18,580	14.9%	(452)	2.4%
Managed communications sites	759	25,344	18.9%	26,274	21.0%	(930)	3.5%
Total	3,387	$ 134,125	100.0%	$ 124,946	100.0%	$ 9,178	7.3%
Gross Profit							
Core owned telephony communications sites		$ 68,405	73.7%	$ 62,626	74.8%	$ 5,779	9.2%
Acquired telephony communications sites		3,727	4.0%	—	—%	3,727	100.0%
Total telephony communications sites		72,132	77.7%	62,626	74.8%	9,506	15.2%
Non-telephony owned communications sites		12,185	13.1%	12,249	14.6%	(64)	0.5%
Managed communications sites		8,518	9.2%	8,885	10.6%	(367)	4.1%
Total		$ 92,835	100.0%	$ 83,760	100.0%	$ 9,075	10.8%

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 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. 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.

Capacity is seldom a limiting factor on our leasing of space, as we can usually augment a tower to accommodate additional tenants. On rare occasions, we are unable to modify a tower to satisfy a prospective tenant's timing requirements.

As of September 30, 2004, we owned in fee or had long-term easements on the land under 829 of our owned towers and 252 of our other communications sites. For the land that we do not own or hold in easement, the average remaining life on the ground leases, including our options to renew, was 22.9 years. Generally, our ground leases terminate upon the occurrence of an event of default under the terms of the lease, by our written notice prior to a lease renewal, or by the terms of the lease which may set a maximum number of renewals. For the year ended December 31, 2003 and the nine months ended September 30, 2004, we incurred $12.1 million and $9.5 million, respectively, in rent expense for our ground leases for an average annual lease payment of $8,548 for the year ended December 31, 2003 and $8,176 annualized for the nine months ended September 30, 2004. Rent payments are generally payable on a monthly or annual basis during the term of the lease. We often have the right to sublease or assign the ground leases, and to grant licenses to use the leased communications sites. We are generally responsible for the

indemnification of the landlord, and the payment of real estate taxes, general liability insurance, and ordinary maintenance expenses at the leased sites. Under the terms of the ground leases, we generally also have the right of first refusal to purchase the leased property when the landlord receives a third party offer to purchase. The table below indicates our interest in the real property underlying our towers and other communications sites at September 30, 2004 for each classification of real property interest and therefore excludes the 759 managed sites.

Real Property Interest Classification

Real Property Interest Classification	Towers	Other Communications Sites	Total Number of Communications Sites
Fee owned	630	189	819
Ground lease	1,543	4	1,547
Easement	199	63	262
Total	2,372	256	2,628

During the year ended December 31, 2003 and the nine months ended September 30, 2004, we expensed $1.5 million and $1.1 million in real estate taxes, respectively, and $3.0 million and $2.4 million in personal property taxes, respectively, for a total of $4.5 million and $3.5 million in property taxes, respectively, or an average of $1,937 per site for the year ended December 31, 2003 and approximately $1,785 per site annualized for the nine months ended September 30, 2004. We hold real and tangible property in over 3,000 jurisdictions in the United States, Canada and the United Kingdom. Property tax assessment methodologies and rates vary widely throughout the various taxing jurisdictions.

Our towers and other communications sites are geographically diversified. The table below represents the concentrations of our owned and managed communications sites at September 30, 2004.

Geographic Concentrations

State	Total Number of Communications Sites
Florida	356
Georgia	317
Texas	240
Tennessee	203
Alabama	177
South Carolina	170
Louisiana	160

North Carolina	136
California	112
Mississippi	101
Other	1,415
Total	3,387

Tenant Leases

As of September 30, 2004, we had over 12,000 tenant leases from over 2,000 different customers. The average length of our tenant leases before consideration of renewal is approximately 4.8 years and the average remaining life from September 30, 2004 until the next renewal is approximately 2.4 years. The following table sets forth information related to expirations of our tenant leases as of September 30, 2004.

Year of Expiration	Number of Tenant Leases	Aggregate Annualized September 2004 Revenues
	(dollars in thousands)	
2004 and month to month	1,193	$ 15,609
2005	4,547	65,486
2006	1,998	26,645
2007	1,196	19,003
2008	1,916	32,702
2009	1,216	20,978
2010	128	2,350
2011	40	918
2012	19	570
2013	24	536
Thereafter	174	4,137

Customers

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, broadcast and data services. We have an aggregate of more than 12,000 leases with over 2,000 customers. Some of our customers consist of large service providers that operate at multiple sites in multiple segments of the wireless communications services industries while others consist of small service providers or users that deploy a single type of wireless technology at a single site. Federal, state and local government customers made up approximately 7.0% and 6.8% of our total revenues for the year ended December 31, 2003 and the nine months ended September 30, 2004, respectively.

For the year ended December 31, 2003, our largest customer, USA Mobility, after giving effect to the Arch Wireless and Metrocall merger completed on November 16, 2004, represented 16.1% of our total revenues. Cingular, after giving effect to the merger with AT&T, represented 10.9% of our total revenue. Sprint, after giving effect to the pending merger with Nextel, represented 11.5% of our total revenue for this period. No other customer contributed 10% or more of our total revenues for this period. For the nine months ended September 30, 2004 our largest customer, USA Mobility, after giving effect to the Arch Wireless, and Metrocall merger, represented 15.3% of our total revenues and our second largest customer, Cingular, after giving effect to the merger with AT&T, represented 12.1% of our total revenues and for this period, no other customer contributed 10% or more of our total revenues.

One of our directors, David Abrams, became a director of USA Mobility. Mr. Abrams will recuse himself from any discussion or decision by our board of directors regarding USA Mobility and its subsidiaries. Mr. Abrams is also the managing member of Abrams Capital, LLC, which beneficially owns approximately 7.7% of USA Mobility. Mr. Abrams also beneficially owns 11.7% of our common stock. Mr. Abrams' ownership interest and duties as a director of the merged entity may, from time to time, differ from his interests and duties as one of our directors. Abrams Capital, LLC's interests as a stockholder of USA Mobility may differ from the interests of our stockholders. While we expect paging network consolidation to occur as a result of mergers, we believe the merged entities will become more financially stable customers.

The following table presents information with respect to our tenant leases by the five customer technology categories we track:

Tenant Technology Type

Tenant Technology Type	For the Year Ended December 31, 2003		For the Nine Months Ended September 30, 2004	
	Revenues	Percentage of Total Revenues	Revenues	Percentage of Total Revenues
	(dollars in thousands)			
Telephony	$ 64,514	38.1%	$ 58,533	43.6%
Mobile radio	45,616	27.0	31,137	23.2
Paging	37,963	22.4	28,160	21.0
Broadcast	12,423	7.3	10,290	7.7
Wireless data and other	8,717	5.2	6,005	4.5
Total	$ 169,233	100.0%	$ 134,125	100.0%

Our largest customer group by revenues for the nine months ended September 30, 2004 is wireless telephony, which contributed 38.1% and 43.6% of our revenues for the year ended December 31, 2003 and the nine months ended September 30, 2004, respectively. Six of our top ten customers are primarily in the business of providing wireless telephony services. Our largest telephony tenants are Cingular, Nextel, Verizon Wireless, T-Mobile, Sprint and Alltel. These tenants' telephony revenues collectively accounted for approximately 33.1% and 35.5% of our total revenues for the year ended December 31, 2003 and the nine months ended September 30, 2004, respectively. We expect industry trends, including the increasing use of wireless communications services and the infrastructure requirements necessary to deploy current and future generations of wireless communications technologies, to drive the addition of new tenant leases on our towers.

The second largest customer group for the nine months ended September 30, 2004 consists of wireless communication providers of mobile radio transmission services. Mobile radio companies provide two-way land radio communication services typically used in dispatch applications by public agencies and businesses whose day-to-day operations depend on communications with a wide variety of personnel at diverse remote locations within a geographic area. As of September 30, 2004, we had over 4,500 mobile radio leases with a wide variety of customers including federal, state and local government agencies, such as the FBI and local fire departments, and businesses such as utility, construction, courier, taxicab and private transportation companies. For the year ended December 31, 2003 and the nine months ended September 30, 2004, 25.5% and 28.3%, respectively, of our total mobile radio revenues was generated by federal, state and local government entities. While some of the traditional users of mobile radio networks have transitioned and, we expect, will continue to switch to public wireless telephony networks, we believe that the low cost of a private network will result in continued demand by many of our mobile radio customers. In addition, we are currently seeing and expect to continue to see new mobile radio deployments by government customers as they upgrade their networks to newer digital systems which allow them to communicate with other government agencies.

Our third largest customer group for the nine months ended September 30, 2004 consists of customers from the paging industry. Paging operators enjoyed significant growth until recent years. The FCC estimates that there were 14.1 million paging units in service at the end of 2002, down 22% from 18.0 million units at the end of 2001. While paging operators have faced competition from mobile telephony carriers, paging devices are generally less expensive and paging networks provide better underground and in-building coverage. Paging operators thus expect paging to remain a viable service to a market sector consisting mainly of commercial customers such as medical and emergency personnel and large industrial companies. Furthermore, while we are aware consolidation in the paging industry could decrease the demand for our sites, as of September 30, 2004, consolidation in the paging industry did not materially impact our revenues.

Our two largest paging customers are USA Mobility and Skytel, a subsidiary of MCI, Inc. The two predecessor companies to USA Mobility, Arch Wireless and Metrocall, along with Skytel, filed for bankruptcy within the past three years and all have since emerged with substantially reduced or no debt.

USA Mobility, our largest single customer, with whom we have a contract with its subsidiary Arch Wireless, requiring minimum fixed payments of approximately $1.7 million through May 2005, is the largest paging operator in the U.S. Currently, we are one of Arch Wireless' largest providers of wireless infrastructure.

Our fourth largest customer group consists of broadcast tenants including television and radio companies. Our broadcast tenants are typically found on our taller towers and rarely change locations because of their regulatory requirements, high switching expenses and potential business disruption. While the broadcast market is generally a mature market, we believe that the federally mandated conversion to digital High Definition TV will prompt traditional analog broadcasters to install new equipment on tall towers resulting in new leasing opportunities. In addition, our broadcast tenants include satellite radio broadcasters (XM Satellite Radio and Sirius) which utilize our communications sites for repeaters.

Our fifth largest customer group consists of wireless data and other communications services and includes companies such as Cingular and Motient which operate two-way messaging networks (such as BlackBerry devices) as well as wireless internet service providers that are emerging as new technologies become available and the FCC authorizes additional radio spectrum for use.

Over the last few years, the relative revenues contribution from different types of wireless technologies has changed substantially. Specifically, the percentage of our revenues coming from the wireless telephony providers has grown from approximately 31.3% of revenues for the month of December 2001 to approximately 45.9% of revenues for the month of September 2004 while the percentage of revenues coming from mobile radio and paging has decreased from 31.7% and 25.4%, respectively, for the month of December 2001 to 22.0% and 19.9%, respectively, for the month of September 2004. We believe that as we continue to execute our strategy, we will continue to increase the relative percentage of telephony revenues and as a result, decrease the relative percentage of paging and mobile radio revenues over the next several years. The following table presents information with respect to our revenue mix by our five customer technology categories for the months of December 2001, 2002, 2003 and September 2004.

Percent of Revenues 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	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%

Operations

Since October 2002, we have installed a new management team which includes individuals with substantial experience in the operations of wireless companies in general and tower companies in particular. Our new management team is highly focused on strengthening our business through the execution of our strategy. Our day-to-day operations are managed through five primary functional areas, which coordinate as a team to focus on enhancing customer service and improving operations. These five areas are:

Sales, Marketing and Colocations. Our sales, marketing and colocation group had a total of 27 people as of December 17, 2004 and is segmented into a broadband team that focuses on telephony and broadcast customers and a narrowband team that focuses on mobile radio including government, paging and data customers. Our broadband sales team is geographically organized with certain employees also

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being assigned major customer coordination responsibilities. Our narrowband sales representatives are also geographically focused with each employee being assigned to several large customers. Our sales and marketing employees are supported by a centrally located staff of colocation project managers that manage the process of turning customer applications into tenant leases. Our colocation project managers are assigned to and work as a team with our sales representatives. Our colocation team supports our sales and marketing team by assisting our customers in rapidly deploying their equipment with minimal operational issues.

Acquisitions and New Builds. Our acquisitions and new builds team focuses on sourcing, valuing and executing tower acquisitions and new tower development. They work closely with the other major areas of operations to ensure that there is a cohesive effort towards growth and that new tower additions are integrated seamlessly into operations.

Our acquisition and new build team generally sources, values and executes our acquisition opportunities directly. We may use the services of a broker in circumstances where it is economically appropriate and where the broker brings specific local knowledge. However, we currently expect to continue to rely on our internal team for the majority of our acquisition sourcing, valuing and execution functions. As of December 17, 2004, the acquisitions and new builds team had a total of 22 people.

Property Management and Site Operations. Our property management and site operations team is responsible for maintaining our communications sites. This includes site management, ongoing monitoring and regulatory compliance and site maintenance. Our property management and site operations include field portfolio support personnel who are assigned a territory of communications sites and are responsible for the overall maintenance and upkeep of our sites including working with our colocations team to ensure that customers install their equipment in accordance with the site lease. Our site operational team is responsible for ensuring that all sites are in compliance with all FAA and FCC regulations and other local requirements. As of December 17, 2004, this team had a total of 53 people.

Contracts Administration. Our contracts administration team manages our portfolio using our recently created digital library that provides easy access to over 12,000 tenant leases from over 2,000 customers along with over 1,400 ground leases and over 700 managed site agreements. They are responsible for the renewal and renegotiation of these contracts, the collection of accounts receivable and the accurate maintenance of our tenant and site agreement database. Our contract administration team also works with our treasury and legal groups to routinely review and dispose of under-performing sites which generate negative cash flows and which are not compatible with our strategy. As of December 17, 2004, our contracts administration team had 29 people and works hand-in-hand with our sales and marketing team on structuring major account leases and in dealing with customers that are having financial difficulties.

Administration and Support. Our administration and support area includes our accounting, legal, finance, treasury, human resources and information systems teams. These teams support our sales and marketing, acquisitions and new builds, property management and site operations and contracts administration teams. As of December 17, 2004, this team had a total of 57 people.

Insurance. We maintain property and casualty insurance and commercial general liability coverage in level and amounts customary for the industry. We recently expanded the scope and limits of our coverage and we believe our properties are adequately covered by insurance.

Our Management Agreements

General

Global Signal Services LLC, or GS Services, our wholly owned subsidiary, is our service company and is the legal entity which employs all of our employees and provides all internal services we require in connection with the conduct of our business. GS Services' sole purpose is to provide management services to us and our subsidiaries. Certain of our financing arrangements required that we formalize this arrangement. Accordingly, in connection with our February 2004 mortgage loan, 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 (collectively, "Pinnacle Towers") entered into a management agreement with GS Services to manage all of Pinnacle Towers' communications sites. In relation to our December 2004 mortgage loan, GS Services also provides management services to Pinnacle Towers Acquisition Holdings LLC, previously known as Pinnacle Towers Acquisition Inc. These services are provided pursuant to an agreement that was originally entered into by Pinnacle Towers Acquisition Inc. and Pinnacle Towers on September 25, 2003 and GS Services assumed the obligations of Pinnacle Towers Inc. on February 5, 2004. The services provided to Global Signal Inc. and our subsidiaries, other than Pinnacle Towers and Pinnacle Towers Acquisition Holdings LLC, are similar to the services described in the management agreements below but are provided on a typical inter-company basis and have not been formalized into management agreements.

GS Services is located at 301 North Cattlemen Road, Suite 300, Sarasota, Florida 34232. The principal executive officers of GS Services are as follows: David J. Grain (president), William T. Freeman (executive vice president, chief financial officer and assistant secretary), Ronald G. Bizick, II (executive vice president of corporate development and operations), Greerson G. McMullen (executive vice president, general counsel and secretary), Massoud Sedigh (executive vice president and chief information officer), and Jeffrey S. Langdon (executive vice president of sales and marketing) who are also our executive officers and receive no additional compensation for their services to GS Services. The following sections summarize certain provisions of the management agreements. The summaries are general in nature, and are qualified in their entirety by reference to the complete management agreements incorporated as exhibits to the registration statement of which this prospectus forms a part.

Management Agreement between Pinnacle Towers LLC and Global Signal Services LLC and Pinnacle Towers Acquisition Holdings LLC and Global Signal Services LLC

Site Management Services

Pursuant to the management agreements, GS Services performs, on our behalf, those functions reasonably necessary to maintain, market, operate, manage and administer the communications sites. GS Services' duties include (1) marketing of site space, including locating potential customers and negotiating and executing tenant leases on our behalf, (2) monitoring and managing the sites, including managing property rights associated with the sites, making periodic inspections, maintaining insurance on the sites, keeping the sites in compliance with applicable laws and regulations, providing for necessary maintenance and arranging for utilities, services, equipment and supplies, (3) administering tenant leases, including maintaining a database of tenant leases, invoicing rent, managing delinquencies and defaults, (4) maintaining on our behalf insurance policies and on its behalf and expense, a commercial crime policy and a professional liability insurance policy, and (5) performing services required to be performed by us under the terms of the tenant leases and site management agreements.

Administrative Services

GS Services performs administrative and support services for us, including services relating to accounting, litigation management, finance, the maintenance of books and records and the preparation of all financial statements, reports, notices and other documents required to be delivered by us under the terms of the February 2004 mortgage loan.

Scope of Authority

GS Services acts as our exclusive agent with regard to the services described in the management agreement. In such capacity, GS Services has the authority to negotiate, execute, and implement, for and on our behalf, all tenant leases, ground leases, easements, contracts, permits, licenses, registrations, approvals, amendments and other documents as GS Services deems necessary or advisable. In addition, GS Services has full discretion in determining whether to commence litigation on our behalf, and will have full authority to act on our behalf in any litigation proceedings or settlement discussions commenced by or against us.

Operating Expenses and Capital Expenditures

GS Services arranges for the payment of all operating expenses and the funding of all capital expenditures out of amounts on deposit in one or more operating accounts maintained on our behalf. We

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are responsible for funding such operating accounts, and GS Services has no obligation to incur or authorize any operating expense or capital expenditure that cannot or will not be paid out of funds on deposit in such operating accounts. GS Services is prohibited from acquiring any assets other than office space, computer equipment and other assets incidental to its duties under the management agreements with us and such other affiliates, and is prohibited from incurring any liabilities other than the salaries and benefits of its employees and other liabilities incurred in the ordinary course of its business.

Compensation

For each calendar month, GS Services is entitled to receive a management fee equal to 10% of operating revenues less the straight line revenue adjustment required to be recorded under SFAS 13. GS Services was not formed until January 2004, consequently no compensation was received during the twelve months ended December 31, 2003.

Management Agreement between Pinnacle Towers Acquisition Holdings LLC and Global SignalServices LLC

On September 25, 2003, Pinnacle Towers Acquisition Holdings LLC, then known as Pinnacle Towers Acquisition Inc., entered into a management agreement with Pinnacle Towers LLC, then known as Pinnacle Towers Inc., under which Pinnacle Towers LLC provides site management services to Pinnacle Towers Acquisition Holdings LLC. This agreement was subsequently assigned by Pinnacle Towers LLC to GS Services on February 5, 2004, and further amended on May 13, 2004. The agreements above were superseded in their entirety by the management agreement, dated as of December 7, 2004, by and between Pinnacle Towers Acquisition Holdings LLC and five of its subsidiaries (who were the borrowers under the December 2004 mortgage loan, collectively, the "Borrowers") with GS Services to manage all of the Borrowers' wireless communications sites. The site management services provided by GS Services to the Borrowers are substantially similar to those provided to Pinnacle Towers LLC described above. Under the current management agreement, for each calendar month, GS Services is entitled to receive a management fee equal to 10% of operating revenues for the immediately preceding calendar month.

Prior to the formation of GS Services, Pinnacle Towers LLC, then known as Pinnacle Towers Inc., provided management services for Pinnacle Towers Acquisition Holdings LLC, then known as Pinnacle Towers Acquisition Inc., and recognized management fee income of $36,000 during the year ended December 31, 2003. These management fees covered services provided from December 5, 2003 to December 31, 2003 and were comprised of $3,700 of initial set up fees for new tenant leases, $6,700 of initial set up fees for new communications sites and $25,600 of monthly service fees.

Our Employees

As of December 17, 2004, we had approximately 189 full-time employees, of which 150 work in our Sarasota, Florida headquarters office. None of our employees are unionized, and we currently consider our relationship with our employees to be good.

Competition

Our principal competitors include other tower companies that operate nationally or regionally; wireless communications service providers that own towers and communications site facilities and lease space at those sites to other wireless communications companies; smaller companies and individuals that own and/or operate towers in one or more local geographic areas; and real estate owners, utilities and other companies that provide alternative site structures (building rooftops, billboards, water tanks and utility poles and other structures) upon which wireless communications equipment may be installed.

Among tower companies that operate nationally or regionally, our principal competitors include publicly-held American Tower Corporation, Crown Castle International Corporation, SBA Communications Corporation and SpectraSite, Inc., as well as AAT Communications Corporation, which is privately held.

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 also compete against other technologies for transmission of telecommunications and video services, including fiber optic and satellite systems.

Environmental Overview

In connection with entering into our February 2004 mortgage loan, an environmental consultant performed in late 2003 a review of government environmental databases for information concerning 2,775 sites relating to 2,077 of our owned towers and other communications sites and 698 managed sites located in the United States and prepared a report that discusses the results in accordance with the standards for a Phase I environmental assessment. Based on the environmental consultant's database review, the consultant performed a Phase I environmental assessment for 182 of our sites. Based on the Phase I assessments, the consultant recommended that Phase II environmental assessments be performed for 18 of our sites. For 12 of those sites, Phase II assessments were performed and the consultant recommended no further action. For three of those sites, Phase II assessments were performed and contamination was identified from a source other than us. The consultant recommended that if we perform construction at any of these sites, any contaminated soil that would be impacted should be properly identified and handled. We have earmarked these three sites internally for special construction review procedures. Phase II assessments were not performed for the remaining three sites. These sites are managed sites where the owner of the property would not grant access for sampling. Further, we determined that, as un-owned managed sites, even if found to have positive responses to the Phase II, these three sites would present de minimis liability exposure to us.

In connection with our entry into the December 2004 mortgage loan, an environmental consultant performed a review of government environmental databases for information concerning 846 sites. Based on the environmental consultant's database review, the consultant performed a Phase I environmental assessment for 105 sites. Based on the Phase I assessments, the consultant recommended that Phase II environmental assessments be performed for 5 sites and recommended no further action on these sites.

Regulatory Matters

Federal Regulations

Both the FCC and the FAA regulate towers used for communications transmitters and receivers. These regulations control the siting, marking and lighting of towers and generally, based on the characteristics of the tower, require registration of certain tower facilities with the FCC. Wireless and broadcast communications antennas operating on towers are separately regulated and independently authorized by the FCC based upon the particular frequency used and the service provided. We must comply with certain environmental laws in addition to these regulations. See "—Environmental Regulations" below.

Under the requirements of the Communications Act of 1934, as amended, the FCC, in conjunction with the FAA, has developed standards for review of proposals for new or modified antenna structures. These standards mandate that the FCC and the FAA consider the height of the proposed antenna structure, the relationship of the structure to existing natural or man-made obstructions, and the proximity of the structure to runways and airports. Proposals to construct new communications sites or modify existing communications sites that could affect air traffic must be filed with and reviewed by the FAA to ensure the proposals will not present a hazard to aviation. Although the government requires only that proposed antenna structures over 200 feet and those near public and military airports be submitted to the FAA for study, we generally submit all proposed antenna structures to the FAA for its approval. The FAA may condition its issuance of no-hazard determinations upon compliance with specified lighting and marking requirements to maximize the visibility of the tower. Upon receiving the FAA's analysis, the FCC imposes the FAA-specified requirements.

Tower owners are required to register all antenna structures over 200 feet and those near public and military airports with the FCC. The FCC will not authorize the operation of communications antennas on new towers unless the tower has been registered with the FCC or a determination has been made that such registration is not necessary. The FCC will not register a tower unless it has received all necessary clearances from the FAA.

Owners of towers on which communications antennas are located have an obligation to maintain marking and lighting to conform to FCC standards. Tower owners also bear the responsibility of notifying the nearest FAA Flight Service Station, or FSS, of any tower lighting failures. Once repairs to any tower lighting outage have been made, the owner must notify the FSS that the tower is back in service. We operate a network operations center 24 hours a day, 365 days per year, to monitor the lighting on our towers. In certain remote locations and other specific circumstances, we use contractors to provide these services but remain liable for the acts and omissions of these contractors. We generally indemnify our customers against any failure to comply with applicable standards.

Failure to comply with applicable registration, marking and lighting requirements (including failure as a result of acts or omissions of our contractors, which may be beyond our control) may result in the issuance of a Notice of Violation, possible monetary penalties or other enforcement action by the FCC, as well as civil penalties, contractual liability and/or tort liability.

We hold a number of FCC licenses for our own communications needs in connection with our tower operations. These licenses cover private operational fixed microwave facilities and private land mobile voice communications. These licenses typically have a ten year term and are subject to renewal by the FCC. Additionally, any substantial change in ownership of the licensees, including a transfer of control of the company, may require prior FCC approval.

Wireless service providers comprise our primary existing and potential customers. Their activities are overseen in large part by the FCC, whose regulations are designed to promote universal service and public safety, maximize the efficient use of spectrum, and minimize regulation where appropriate. Recent FCC regulatory developments reflect these goals. Several FCC decisions, including the order in 2001 eliminating certain rules limiting spectrum ownership in any geographic area for commercial mobile radio services (CMRS), have made consolidation in the wireless industry easier and more likely. Instead of using a spectrum cap, the FCC opted to analyze transactions involving mobile telephony service providers on a case-by-case basis. In the decision approving the merger of Cingular and AT&T Wireless, the FCC permitted consolidation of wireless carriers in excess of its prior limitation on spectrum ownership. In November 2002, the 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 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. Any further industry consolidation or system modifications could decrease the demand for our sites, which in turn may result in a reduction in our revenues. We cannot predict with certainty the effect these modifications and proposals will have on our business.

The Telecommunications Act of 1996 amended the Communications Act of 1934 to preserve the authority of state and local governments over zoning and land use matters concerning the construction, modification and placement of towers used for personal wireless services, except in limited circumstances. Most importantly, the Telecommunications Act prohibits state or local restrictions on such towers based on the environmental effects of radio frequency emissions from antennas, provided the facilities comply with FCC emission regulations. Also, the Telecommunications Act provides a mechanism for judicial relief from zoning decisions pertaining to such towers which fail to comply with certain provisions of the Telecommunications Act. For example, the Telecommunications Act prohibits any state or local government action that would (1) discriminate between different wireless communications providers or (2) ban altogether the construction, modification or placement of personal wireless services towers. The Telecommunications Act requires the Federal government to establish procedures to make available on a fair and nondiscriminatory basis rights-of-way and easements under Federal control for the placement

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of new wireless telecommunications services. This may require that Federal agencies and departments work directly with licensees to make Federal property available for tower facilities.

Under the National Historic Preservation Act of 1966 ("NHPA"), the FCC has been required to consider the impact of the actions it authorizes on historic properties, including the construction of towers and other communications facilities. In October 2004, the FCC released a Report and Order adopting the provisions of a Nationwide Programmatic Agreement between the FCC, the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers designed to clarify and streamline the review process for the siting of towers and other communications facilities on or near historic properties. Additionally, in October 2004, the FCC and certain Indian tribes entered into an agreement reflecting voluntary "best practices" with respect to tower siting and construction and the preservation of religious and historic properties. While these recent actions should make the siting of towers more efficient and less expensive, we cannot predict with certainty the actual effect these recent actions will have on our business.

In 1996, Congress authorized the FCC to assign a second channel to every eligible television station licensee to begin the process of converting over the air television signals from analog to digital. In 1997, Congress mandated that the transition to digital television would end by December 31, 2006, although it gave the FCC authority to extend this deadline, inter alia, if digital television set penetration failed to reach certain levels in any market. After assigning the new DTV channels in 1996 and 1997, the FCC imposed certain DTV build-out deadlines on both commercial and non-commercial stations, ranging from May 1, 1999 to May 1, 2003, although the Commission approved hundreds of DTV construction extensions on a case-by-case basis. According to the FCC, a total of 1476 DTV stations were on the air as of November 30, 2004, representing almost 86 percent of the DTV channels awarded. Over 800 of these stations (nearly 55%) were operating with very low power levels. In September 2004, the FCC released a Report and Order establishing full power DTV build-out deadlines in July 2005 and 2006. These full power DTV build-out deadlines could increase the demand for broadcast towers. Congress and/or the FCC may take further actions regarding the transition to DTV and return of the broadcasters' analog spectrum; we cannot predict the nature or timing of any such actions or their effects on our business.

Local Regulations

Local regulations include city, county and other local ordinances, zoning restrictions and restrictive covenants imposed by community developers. These regulations vary greatly, but typically require tower owners to obtain approval from local officials prior to tower construction and prior to modifications of towers, including installation of equipment for new customers. Local zoning authorities generally have been hostile to construction of new transmission towers in their communities because of the height and visibility of the towers. Companies owning or seeking to build or modify towers have encountered an array of obstacles arising from state and local regulation of tower site construction and modification, including environmental assessments, fall radius assessments, marking and lighting requirements, and concerns about interference with other electronic devices. The delays resulting from the administration of such restrictions can last for several months and, when appeals are involved, can take several years. Further, on existing towers, underlying zoning ordinances are subject to change, which may either prohibit the addition of new antennas or require the obtaining of new permits to add additional antennas. Such a change in zoning can materially alter our ability to add additional tenants to and grow the revenues of any affected tower.

Environmental Regulations

The FCC's decision to register a proposed tower may be subject to environmental review under NEPA, which requires federal agencies to consider the environmental impacts of decisions that could be considered "major federal actions." The FCC has issued regulations implementing its NEPA obligations, as well as those arising under the National Historic Preservation Act, the Endangered Species Act and the American Indian Religious Freedom Act. These regulations place responsibility on each applicant to investigate potential environmental and other effects of the proposed activity (for example, constructing a tower) prior to commencing with the activity. If certain regulatory criteria are met regarding the location

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and potential impacts of the activity (for example, impact to wetlands), the applicant will be required to prepare and file an environmental assessment with the FCC for its review. Importantly, under these regulations interested parties may also petition the FCC to require an environmental assessment and the FCC must consider such petitions in determining whether the applicant must prepare an environmental assessment. If an environmental assessment is required, then the FCC will treat the proposed activity as a "major action" that may have significant environmental impact. The FCC would then initiate a review procedure, providing further opportunity for public comment. This review process will culminate in either a finding of no significant impact or a finding of significant impact. In the event the FCC determines that a proposed tower would have a significant environmental impact, the FCC would be required to prepare an environmental impact statement. The environmental review process mandated by NEPA and the FCC regulations that implement that process can be costly and time consuming and may cause significant delays in the registration of a particular tower. Various environmental interest groups routinely petition the FCC to deny applications to register new towers, further complicating the registration process and potentially increasing 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. This action is one component of the FCC's Environmental and Historic Preservation Action Plan announced by Chairman Michael Powell on May 1, 2003. The Chairman's Plan will also address, via rulemaking proceedings, human exposure to radio frequency electromagnetic energy and the effects of communication facilities on historic properties. 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 comment 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, depending on the outcome, could have a material adverse effect on our business, financial condition or results of operations.

With our current tower operations, we own a limited number of underground diesel storage tanks, which are used to fuel power generators. A small number of our tenants utilize transmission and other operating equipment that by their nature contain hazardous materials, such as lead acid batteries and above ground (and possibly underground) diesel storage tanks for power generation and glycol coolant. Accordingly, in addition to the FCC's environmental regulations, we are subject to environmental laws governing, among other things, the use, handling, storage and disposal of regulated substances. These laws may require the investigation and remediation of any contamination at facilities that we own or operate (or 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. We are also subject to various other Federal, state and local health, safety and environmental laws and regulations. The current cost of investigating and remediating any contamination and complying with those laws as they are currently in effect is not expected to be material to our financial condition or results of operations.

We previously owned five carrier-neutral co-location facilities, which were sold in 2001 and 2002. These facilities contained one or more of the following: tanks for the storage of diesel fuel, asbestos-containing building materials and/or significant quantities of lead acid batteries to provide back-up power generation and uninterrupted operation of our customers' equipment. The presence of these items may require environmental permitting, record keeping, and reporting obligations such as the development of fuel spill prevention plans and the submission of community right-to-know reports. In addition, although we have no knowledge of such, it is conceivable that these systems may have been subject to leaks or spills which have not been remediated. We remain potentially liable for contamination of the facilities, if any, and for the waste materials generated at the facilities and transported to disposal sites, if any, and for any non-compliances with environmental laws, if any, that occurred during our ownership or operation of the facilities.

Although, based on currently known information, we believe that we currently have no material liability under applicable environmental laws, 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 have a material adverse effect on our business, financial condition or results of operations. See "Risk Factors — Risks Relating to 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."

REIT Status

We have elected to be treated as a REIT for federal income tax purposes. A REIT is generally not subject to federal corporate income taxes on that portion of its ordinary income or capital gain for a taxable year that is distributed to stockholders within such year. To qualify and remain qualified as a REIT, we are required on a continuing basis to satisfy numerous, detailed requirements pertaining to our organization, sources and amounts of income, level of distributions, assets owned, and diversity of stock ownership, among others. Among the numerous requirements that must be satisfied with respect to each taxable year in order to qualify and remain qualified as such, a REIT generally must:

- distribute to stockholders 90% of its taxable income computed without regard to net capital gains and deductions for distributions to stockholders and 90% of certain foreclosure income;
- maintain at least 75% of the value of its total assets in real estate assets (generally real property and interests therein), cash, cash items and government securities;
- derive at least 75% of its gross income from investments in real property or mortgages on real property;
- derive at least 95% of its gross income from real property investments described above and from dividends, interest and gain from the sale or disposition of stock and securities and certain other types of gross income;
- not have any accumulated "earnings and profits" attributable to a non-REIT year as of the close of any taxable year, including for this purpose any such accumulated "earnings and profits" carried over or deemed carried over from a subchapter C corporation;
- as of the end of each calendar quarter, generally not own securities of any single issuer which possess greater than 10% of the total voting power or total value of the outstanding securities of such issuer, unless such other issuer is itself a REIT or is either a "qualified REIT subsidiary" or a "taxable REIT subsidiary" with respect to the REIT owning such securities; and
- as of the end of each calendar quarter, not own securities of "taxable REIT subsidiaries" which collectively constitute in excess of 20% of the total assets of the REIT, and not own securities of any single issuer other than a "qualified REIT subsidiary" or a "taxable REIT subsidiary" which have an aggregate value in excess of 5% of the value of the total assets of such REIT.

In connection with the consummation of the restructuring, we realized a significant amount of cancellation of indebtedness income, all of which was excluded from our gross income for federal income tax purposes. In accordance with the Internal Revenue Code, the amount of cancellation of indebtedness income so excluded substantially reduced our net operating loss ("NOL") carryovers accumulated through the date on which the restructuring was consummated. In addition, our depreciation deductions are reduced for a period of five years after the date on which we received the new capital investment through the restructuring. The effect of such reduction of our cumulative NOL carryovers and such reduction of our depreciation deductions will be either to reduce our future NOLs, or to increase our REIT taxable income which must be distributed to our stockholders in order for us to maintain our REIT status.

Policies With Respect to Certain Other Activities

If our board of directors determines that additional funding is required, we may raise such funds through additional equity offerings, debt financing, retention of cash flow (subject to provisions in the Internal Revenue Code concerning taxability of undistributed REIT taxable income) or a combination of these methods.

In the event that our board of directors determines to raise additional equity capital, it has the authority, without stockholder approval, to issue additional common stock or preferred stock in any manner and on such terms and for such consideration it deems appropriate, including in exchange for property.

Borrowings may be in the form of bank borrowings, secured or unsecured, and publicly or privately placed debt instruments, purchase money obligations to the sellers of assets, long-term, tax-exempt bonds or other publicly or privately placed debt instruments, financing from banks, institutional investors or other lenders, securitizations, including CBOs, any of which indebtedness may be unsecured or may be secured by mortgages or other interests in the asset. Such indebtedness may be recourse to all or any part of our assets or may be limited to the particular asset to which the indebtedness relates. We have engaged in such borrowings as more fully described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Previous Credit Facilities" and "— Revolving Credit Facility."

We have authority to offer our common stock or other equity or debt securities in exchange for property and to repurchase or otherwise reacquire our shares or any other securities and may engage in such activities in the future. Similarly, we may offer additional interests in our operating partnership that are exchangeable into shares of common stock or, at our option, cash, in exchange for property. We also may make loans to our subsidiaries.

Subject to the percentage of ownership limitations and gross income and asset tests necessary for REIT qualification, we may invest in securities of other REITs, other entities engaged in real estate activities or securities of other issuers, including for the purpose of exercising control over such entities.

We may engage in the purchase and sale of investments. We do not underwrite the securities of other issuers.

We will make annual reports to security holders, which will contain financial statements certified by independent registered certified public accountants.

Our officers and directors may change any of these policies without a vote of our stockholders.

Policies with Respect to Certain Transactions

Under Article Eight of our amended and restated certificate of incorporation, Fortress Pinnacle Acquisition LLC, FRIT PINN LLC, Fortress Pinnacle Investment Fund LLC, and Greenhill Capital Partners, L.P. and their respective subsidiaries and affiliates (collectively, the "Significant Stockholders") have the right to, and have no duty to abstain from, exercising such right to, engage or invest in the same or similar business as us, do business with any of our clients, customers or vendors or employ or otherwise engage any of our officers, directors or employees. If the Significant Stockholders or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty to offer such corporate opportunity to us, our stockholders or affiliates. We have renounced any interest or expectancy in, or in being offered an opportunity to participate in, such corporate opportunities in accordance with Section 122(17) of the Delaware General Corporation Law.

In the event that any of our directors and officers who is also a director, officer or employee of any of our Significant Stockholders acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as our director or officer and such person acted in good faith, then such person is deemed to have fully satisfied such person's fiduciary duty and is not liable to us if any of the Significant Stockholders pursues or acquires such corporate opportunity or if such person did not present the corporate opportunity to us.

Pursuant to our code of business conduct and ethics, without prior written approval from our general counsel, our directors, officers or employees may not participate in a joint venture, partnership or other business arrangement with us. We have no other policy with regard to our directors, officers or stockholders having any direct or indirect pecuniary interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest.

Investment Policies

Our policy is to invest in wireless towers and other communications sites and currently our sites are primarily located in the southeastern and mid-Atlantic regions of the United States. For the year ended

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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. We expect to make additional investments in communications sites either through acquisitions or development, funded through debt and equity financings. It is our policy to acquire these wireless towers and other communications sites primarily for the cash flow generated by those sites. Our operating cash flows were sufficient in 2003 to fund our operations as well as our debt service obligations. Our policy may be changed by our board of directors without a vote of our stockholders. We do not have any limits on the percentage of our assets which may be invested in wireless towers and other communications sites. We do not have a policy as to the amount or percentage of our assets which may be invested in any specific wireless tower or communications site.

Legal Proceedings

Bankruptcy Proceedings

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. We filed a prearranged plan of reorganization that provided for new equity of approximately $205.0 million sponsored by Fortress and Greenhill and those senior noteholders who elected shares of our common stock in lieu of cash. The bankruptcy court confirmed the plan on October 9, 2002 and we emerged from bankruptcy on November 1, 2002. All pending claims were resolved and the bankruptcy docket was closed on December 22, 2003.

Securities Class Actions

We entered into a stipulation and agreement of settlement filed September 24, 2002 to settle the consolidated securities class action lawsuit instituted in the United States District Court, Middle District of Florida, Tampa Division on March 23, 2001 against us, our former Chief Executive Officer, Steven R. Day, our former Chief Financial Officer, Jeffrey J. Card, our former Chief Executive Officer, Robert J. Wolsey, various former directors of Global Signal, our former accountants, PricewaterhouseCoopers LLP, and the underwriters of our January 18, 2000 secondary offering. The litigation related to alleged misrepresentations contained in a prospectus for our January 18, 2000 secondary stock offering and alleged misleading statements contained in press releases and other filings with the Securities and Exchange Commission relating to certain of our financial statements, the acquisition of approximately 1,858 communications sites from Motorola, Inc., our relationship with our former accountants and other matters.

The settlement provided that the claims against us and our former officers and directors be dismissed. In agreeing to the settlement, we and our former officers and directors specifically denied any wrongdoing. The settlement provided for a cash payment of approximately $8.2 million, all of which was paid directly by our insurance. Of the $8.2 million payment, $4.1 million was deemed to have been made on our behalf, and $4.1 million was deemed to have been made on behalf of the individual defendants. In addition, the settlement provided for additional cash payments of approximately $2.6 million by PricewaterhouseCoopers and $200,000 by the underwriter defendants. The court issued an order and final judgment on February 3, 2003 approving the stipulation and agreement of settlement.

2001 Securities and Exchange Commission Investigation

In August 2000, we became the subject of an investigation being conducted 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 assets 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 to the Commission's entry of an administrative order and sanctions, without admitting or denying the Commission's findings, as follows:

A. That we shall cease and desist from committing or causing violations of the reporting, books and records, and internal control provisions of the Federal securities laws (Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1 and 13a-13 thereunder); and

B. That we provide documents or other information, and take all reasonable actions to make our officers, directors, employees and agents available to testify truthfully at any interview, investigative testimony, deposition, or judicial proceeding arising as a result of the Commission's investigation of our company.

The Commission's order did not claim any violation of the antifraud provisions of the Federal securities laws, nor did it assess a monetary penalty or fine against us. We cooperated fully with the Commission in its inquiry.

Others

We are also from time to time involved in ordinary litigation incidental to the conduct of our business. We believe that none of our pending litigation, individually and in the aggregate, will have a material adverse effect on our business, financial condition or results of operations.

MANAGEMENT

Our Directors and Executive Officers

The following table sets forth certain information about our directors and executive officers.

Name	Age	Position With Us
Wesley R. Edens (2)	43	Chief Executive Officer and Chairman of the Board of Directors
David J. Grain	42	President
William T. Freeman	43	Executive Vice President, Chief Financial Officer, and Assistant Secretary
Jeffrey S. Langdon	42	Executive Vice President of Sales & Marketing
Ronald G. Bizick, II	37	Executive Vice President of Corporate Development and Operations
Greerson G. McMullen	42	Executive Vice President, General Counsel, and Secretary
Massoud Sedigh	52	Executive Vice President and Chief Information Officer
Robert H. Niehaus (2)	49	Vice Chairman of the Board of Directors
David Abrams (1)	43	Director
Robert H. Gidel (3)	53	Director
Douglas L. Jacobs (2)	57	Director
Howard Rubin (1)	49	Director
Mark Whiting (3)	48	Director

(1) Class I director.
(2) Class II director.
(3) Class III director.

Wesley R. Edens is the Chairman of our board of directors and our Chief Executive Officer. He has served as our Chairman and a director since Global Signal's reorganization in October 2002. He served as our acting Chief Executive Officer from January 31, 2003 until February 11, 2004, when he became our Chief Executive Officer. Mr. Edens has been a Principal and the Chairman of the Management Committee of Fortress Investment Group LLC since co-founding the firm in May 1998. He is the Chairman of the board of directors and Chief Executive Officer of Newcastle Investment Corp., an affiliate of Fortress and a REIT listed on the New York Stock Exchange. He has also served as the Chairman of the board of directors and Chief Executive Officer of Eurocastle Investment Limited, an affiliate of Fortress and a REIT listed on the London Stock Exchange, since its inception in 2003. As Chairman of the Management Committee of Fortress Investment Group, he manages and invests in other asset-related investment vehicles and serves on the boards of Brookdale Living Communities Inc., Italfondiario S.P.A., and Mapeley Ltd. In addition, Mr. Edens served as a director of Capstead Mortgage Corporation beginning in December 1999 and assumed the title of Chairman of the Board, Chief Executive Officer and President in April 2000 until July 2003 when he resigned from all positions. Mr. Edens was the head of Global Principal Finance at Union Bank of Switzerland from May 1997 to May 1998. Prior to joining Union Bank of Switzerland, Mr. Edens was a Partner and a Managing Director of BlackRock Financial Management Inc. from October 1993 to May 1997. In addition, Mr. Edens was a Partner and Managing Director of Lehman Brothers from April 1987 to October 1993. Mr. Edens received a Bachelor of Science in Finance from Oregon State University. He was initially designated a director pursuant to the Investor

Agreement. On March 22, 2004, he was re-elected at our annual meeting of stockholders.

David J. Grain joined us in January 2003 as our President. Prior to joining us, from 2000 to 2003, he served as Senior Vice President at AT&T Broadband in New England, a provider of digital video, high

speed Internet and digital phone services to more than two million customers in the region. Prior to leading AT&T Broadband's New England operations, Mr. Grain spent more than a decade in the financial services industry, most recently at Morgan Stanley in New York from 1992 to 2000 where he focused primarily on telecommunications, media and technology companies. Mr. Grain serves on the board of directors of Newcastle Investment Corp., an affiliate of Fortress and a REIT listed on the New York Stock Exchange. Mr. Grain earned a Bachelor of Arts in English from the College of the Holy Cross and a Masters of Business Administration from the Amos Tuck School at Dartmouth College.

William T. Freeman joined us in September 2001 as our Chief Financial Officer and Vice President, and was named Executive Vice President, Chief Financial Officer and Assistant Secretary in February 2004. Prior to joining us, Mr. Freeman was the Chief Financial Officer of WJ Communications, Inc., a manufacturer of RF components from June 2000 to September 2001. Mr. Freeman was the Chief Financial Officer of System One Services, a consulting and staffing agency from November 1997 to June 2000. Mr. Freeman has over 18 years of finance and accounting experience and holds a Master's degree in Accounting from Florida State University and a Bachelor of Science from the University of Kentucky. Mr. Freeman was our Chief Financial Officer at the time of our filing for bankruptcy in May 2002.

Jeffrey S. Langdon joined us in March 2003 as Vice President of Sales and was named Executive Vice President of Sales and Marketing in January 2004. Mr. Langdon began his wireless career in November 1992 with McCaw Wireless in Seattle prior to its merger with AT&T. He held a variety of positions with McCaw/AT&T Wireless until his departure in March 1997, including responsibilities in Sales, System Development and External Affairs. From March 1997 until March 1998, Mr. Langdon founded and operated JSL Wireless Services under contract to AT&T's National Site Development team where he assisted in the development of a Build to Suit program. In March 1998, Mr. Langdon joined SBA Communications in Boca Raton where he was employed until April 2002 as its Vice President of Sales and Marketing, Vice President of Operations and Regional Vice President of the Midwest. From April 2002 through October 2002, Mr. Langdon was self-employed and pursued private interests. From October 2002 until March 2003, Mr. Langdon held the position of Regional Vice President at Tower Resource Management, a wireless management and development firm. Mr. Langdon holds a Bachelor of Arts degree from Whitman College.

Ronald G. Bizick, II joined us in December 2003 as Executive Vice President of Corporate Development and Operations. Prior to joining us, Mr. Bizick served as acting Chief Executive Officer and Partner of Archonix Systems, LLC and its predecessor NTPS, LLC from March 2003 to November 2003, both public safety software and related services providers, where he remains an equity partner and advisory board member. He was self employed, performing various consulting services to wireless and investment companies from February 2002 to March 2003. Mr. Bizick also worked at SBA Communications, another of our main competitors, from February 1990 to January 2002, serving as Executive Vice President and Chief Operating Officer. Mr. Bizick also held various other positions at SBA Communications including Executive Vice President of Operations and Executive Vice President of Sales and Marketing. Mr. Bizick holds a Bachelor of Arts in Business and Communications from the University of Pittsburgh and has completed continuing executive education at Harvard Business School and The Wharton School of Business.

Greerson G. McMullen joined us in July 2004 as Executive Vice President, General Counsel and Secretary. Prior to joining us, Mr. McMullen was with General Electric Company, from December 1996 to June 2004 where he held various executive positions with GE's Transportation, Industrial Systems and Energy divisions. Prior to GE, he was a corporate attorney for Tropicana Products, Inc., from October 1994 to December 1996 and an attorney with the law firms of Sullivan & Cromwell and Kennedy Covington Lobdell & Hickman, L.L.P. Mr. McMullen holds a B.S.F.S. from Georgetown University, School of Foreign Service, and a J.D. from the University of Virginia School of Law.

Massoud Sedigh joined us in May 2003 as Chief Information Officer and was named Executive Vice President and Chief Information Officer in February 2004. Most recently, Mr. Sedigh served as the Chief Information Officer for Shell Trading Company, an energy trading venture, from April 1998 to April 2003. Mr. Sedigh holds a Master of Science in Industrial Management and a Bachelor of Science in Computer Science from SUNY Stony Brook.

David Abrams has served as one of our directors since October 30, 2002. He has been a managing member of Abrams Capital, LLC, an investment firm managing in excess of $800 million, whose affiliates are our stockholders, since November 1998. Mr. Abrams has been the managing partner of Pamet Capital Management LLC since January 2002. Mr. Abrams was designated a director pursuant to the Investor Agreement. On March 29, 2004, Arch Wireless and Metrocall Holdings, Inc. announced that they had executed a merger agreement. The merger of these entities was approved by their respective stockholders on November 8, 2004 and was completed on November 16, 2004 to form USA Mobility. Mr. Abrams became a director of the merged entity. Mr. Abrams will recuse himself from any discussion or decision by our board of directors regarding Arch Wireless, the merger of Arch Wireless with Metrocall Holdings, Inc. or the surviving entity, USA Mobility. He received a Bachelor of Arts in History from the University of Pennsylvania.

Robert H. Gidel has served as one of our directors since October 30, 2002. Since 1997, Mr. Gidel has been the Managing Director of Liberty Partners, L.P., a partnership which makes investments in real estate operating companies and partnerships. He is a member of the board of directors of Developers Diversified Realty Corporation, of which he is a member of the audit committee and the governance committee and the chairman of the compensation committee. Mr. Gidel is a member of the board of directors, the governance committee, the audit committee, and the Chairman of the compensation committee of US Restaurant Properties. He is also a trustee of Fortress Registered Investment Trust and Fortress Investment Trust II as well as a manager of Fortress Pinnacle Investment Fund LLC. Fortress Registered Investment Trust, Fortress Investment Trust II and Fortress Pinnacle Investment Fund LLC are affiliates of Fortress Investment Group LLC, our majority stockholder. Since 1996, Mr. Gidel has been the Independent Member of the Investment Committee of the Lone Star Funds (I, II, III & IV). From 1999 until 2001 (when it was sold), he was a member of the board of directors and audit committee of American Industrial Properties, an industrial REIT. Mr. Gidel is a graduate of the Warrington College of Business at the University of Florida. Mr. Gidel was initially designated a director pursuant to the Investor Agreement. On March 22, 2004, he was re-elected at our annual meeting of stockholders.

Douglas L. Jacobs has served as one of our directors since February 2004. Mr. Jacobs is a member of the board of directors of Hanover Capital Mortgage Holdings, Inc., a publicly traded REIT. From 1988 to 2001, Mr. Jacobs was an Executive Vice President and Treasurer at FleetBoston Financial Group, primarily in funding, securitization, capital management, and asset and liability management activities, as well as securities, derivatives, and mortgage loan portfolios. He also served as a member of the board of directors of Fleet Mortgage Group after its privatization from 1998 to 2002. Prior to joining FleetBoston, Mr. Jacobs was active in a variety of positions at Citicorp over 17 years, culminating in his role as Division Executive of the Mortgage Finance Group. Mr. Jacobs holds a Bachelor of Arts degree in Chemistry from Amherst College and a Masters of Business Administration from the Wharton School of Business at the University of Pennsylvania.

Robert H. Niehaus has served as Vice Chairman of our board of directors since October 2002. He is a Managing Director of Greenhill & Co., Inc., and the Chairman of Greenhill Capital Partners, LLC and GCP 2000, LLC, the entities that control the general partners of one of our principal stockholders, Greenhill Capital Partners. He joined Greenhill & Co., LLC in January 2000 to start Greenhill, a $424 million private equity fund focused on the energy, financial services and telecommunications infrastructure industries. Mr. Niehaus is a member of the boards of directors of American Italian Pasta Company, Everlast Energy LLC, EXCO Holdings Inc., and Waterford Wedgwood plc, as well as Heartland Payment Systems, Inc. and several other private companies. Mr. Niehaus was Vice Chairman and a director of Morgan Stanley Capital Partners III, L.P., a $1.8 billion private equity investment fund, from 1994 to 1999 and was Vice Chairman and a director of the Morgan Stanley Leveraged Equity Fund II, L.P., a $2.2 billion private equity investment fund, from 1992 to 1999. Mr. Niehaus was also the Chief Operating Officer of Morgan Stanley's merchant banking department from 1996 to 1998. Mr. Niehaus received a Bachelor of Arts from Princeton University and a Master of Business Administration from Harvard Business School. Mr. Niehaus was initially designated a director pursuant to the Investor Agreement. On March 22, 2004, he was re-elected at our annual meeting of stockholders.

Howard Rubin has served as one of our directors since February 2004. Mr. Rubin is a member of the board of directors and the head of the audit committee of Capstead Mortgage Corporation. He has over

twenty years of experience trading mortgage-backed securities. From 1987 to his retirement in 1999, Mr. Rubin was a Senior Managing Director at Bear Stearns, where he ran the Collateralized Mortgage Obligations desk. Mr. Rubin received a Masters of Business Administration from Harvard Business School and a B.S.E. in Chemical Engineering from Lafayette College. Prior to June 2003, Fortress Investment Group LLC held a one-third interest in Capstead Mortgage Corporation and Wesley R. Edens served as Capstead's Chief Executive Officer. Fortress sold its interest in Capstead and Mr. Edens resigned from his post as Chief Executive Officer in June 2003.

Mark Whiting has served as one of our directors since February 2004. Mr. Whiting is a member of the board of directors and the chairman of the compensation committee of Capstead Mortgage Corporation. In January 1999, Mr. Whiting founded Drawbridge Partners, LLC, an active developer and owner/operator of office and industrial properties throughout the western United States, where he is the managing partner. Mr. Whiting was President and a director of TriNet Corporate Realty Trust, Inc. from May 1993, where he was Chief Executive Officer from May 1996 to September 1998. Mr. Whiting holds a Bachelor of Arts degree from Stanford University and a Masters of Business Administration from the Stanford University Graduate School of Business. Prior to June 2003, Fortress Investment Group LLC held a one-third interest in Capstead Mortgage Corporation and Wesley R. Edens served as Capstead's Chief Executive Officer. Fortress sold its interest in Capstead and Mr. Edens resigned from his post as Chief Executive Officer in June 2003.

Pursuant to our amended and restated certificate of incorporation and amended and restated bylaws, our board of directors is divided into three classes of directors. The current terms of the Class I, Class II and Class III directors will expire in 2006, 2007 and 2005, respectively. On March 22, 2004, we held our annual stockholder meeting and all of our class II directors were re-elected for terms that will expire in 2007. Directors of each class will be chosen for three-year terms upon the expiration of their current terms and each year one class of directors will be elected by the stockholders. All officers serve at the discretion of our board of directors. We currently have seven directors, five of whom we believe are "independent" as defined under the rules of the NYSE. On March 29, 2004, Arch Wireless and Metrocall Holdings, Inc. announced that they had executed a merger agreement. The merger of these entities was approved by their respective stockholders on November 8, 2004 and was completed on November 16, 2004 to form USA Mobility. One of our directors, David Abrams, became a director of the merged entity upon consummation of the merger. Mr. Abrams will recuse himself from any discussion or decision by our board of directors regarding Arch Wireless, the merger of Arch Wireless into Metrocall Holdings, Inc. or the surviving entity, USA Mobility. Our amended and restated bylaws provide that our board of directors may determine by resolution the number of directors which constitute our board of directors. On March 22, 2004, the board of directors set the number of directors which constitutes our board at seven.

Committees of the Board of Directors

We have established the following committees of our board of directors:

The audit committee, which:

- reviews the audit plans and findings of the independent certified public accountants and our internal audit and risk review staff, and the results of regulatory examinations and tracks management's corrective action plans where necessary;
- reviews our financial statements, including any significant financial items and/or changes in accounting policies, with our senior management and independent certified public accountants;
- reviews our risk and control issues, compliance programs and significant tax and legal matters;
- has the sole discretion to appoint annually the independent certified public accountants and evaluates their independence and performance, as well as to set clear hiring policies for employees or former employees of the independent certified public accountants; and
- reviews our risk management processes.

The audit committee is currently chaired by Mr. Jacobs and consists of Messrs. Jacobs, Rubin and Whiting. All three members are "independent" directors as defined under NYSE rules and under section

10A-3 of the Securities Exchange Act of 1934, as amended, making us in full compliance with current NYSE rules regarding audit committee membership.

The nominating and corporate governance committee, which:

- reviews the performance of the board and incumbent directors and makes recommendations to our board regarding the selection of candidates, qualification and competency requirements for service on the board and the suitability of proposed nominees;
- advises the board with respect to the corporate governance principles applicable to Global Signal; and
- oversees the evaluation of the board and Global Signal's management.

The nominating and corporate governance committee is currently chaired by Mr. Gidel and consists of Messrs. Gidel, Rubin and Whiting. All three members are "independent" directors as defined under the NYSE rules, making us in full compliance with current NYSE rules regarding nominating and corporate governance committee membership.

The compensation committee, which:

- reviews and recommends to the board the salaries, benefits and stock option grants for all employees, consultants, officers, directors and other individuals compensated by us;
- reviews and approves corporate goals and objectives relevant to Chief Executive Officer compensation, evaluates the Chief Executive Officer's performance in light of those goals and objectives, and determines the Chief Executive Officer's compensation based on that evaluation; and
- oversees our compensation and employee benefit plans.

The compensation committee is currently chaired by Mr. Whiting and consists of Messrs. Whiting, Gidel and Abrams. All three members are "independent" directors as defined under the NYSE rules, making us in full compliance with current NYSE rules regarding compensation committee membership.

Compensation Committee Interlocks and Insider Participation

Compensation decisions during the year ended December 31, 2003 pertaining to executive officer compensation were made by our Chief Executive Officer, Wesley R. Edens, our president, David J. Grain, and our director, Robert H. Niehaus. Our president, David J. Grain, serves as a director of Newcastle Investment Corp., whose Chief Executive Officer, Wesley R. Edens, also serves as the chairman of our board and our Chief Executive Officer. Newcastle Investment Corp. is an affiliate of our largest stockholder, Fortress Investment Group LLC. Our director, Robert H. Niehaus, serves as the Chairman of Greenhill Capital Partners, LLC and GCP 2000, LLC, the entities that control the general partners of our second largest stockholder. We have entered into certain transactions with Fortress and Greenhill as described in "Certain Relationships and Related Party Transactions."

Compensation of Directors

We pay an annual director's fee to each independent director equal to $30,000, payable semi-annually. All members of our board of directors are reimbursed for reasonable expenses and expenses incurred in attending meetings of our board of directors. In addition, an annual fee of $5,000 will be paid to the chairs of each of the audit and compensation committees of our board of directors. Affiliated directors, however, will not be separately compensated by us. Fees to the independent directors may be made by issuance of common stock, based on the value of such common stock at the date of issuance, rather than in cash.

In addition, each independent director is eligible to receive automatic annual stock grants under our Omnibus Stock Incentive Plan, valued at $15,000 based on the fair market value of shares on the date of grant, on the first business day after our annual meeting of stockholders and each such annual meeting thereafter during the term of this plan. On April 15, 2004, we modified our board compensation package for independent directors who do not beneficially own 10% or more of our common stock, or "eligible

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directors". Each member of our board that was an eligible director immediately prior to the consummation of our initial public offering was granted 5,000 shares of common stock under our Omnibus Stock Incentive Plan on the first day following the consummation of the initial public offering. In addition, each of the eligible directors will be granted 5,000 shares of our common stock on each of the first days following: (1) the meeting of stockholders in 2005 at which directors are to be elected and (2) the meeting of stockholders in 2006 at which directors are to be elected, so long as such eligible director continues to serve as one of our directors on each grant date. An eligible director that receives any of the grants described above during any fiscal year will not be eligible to receive the automatic stock grants under our Omnibus Stock Incentive Plan for that fiscal year. Pursuant to these arrangements, 20,000 shares of common stock, in the aggregate, were granted to Messrs. Robert H. Gidel, Douglas L. Jacobs, Howard Rubin and Mark Whiting on the first day following the consummation of our initial public offering.

Executive Compensation

The following summary compensation table sets forth information concerning the cash and non-cash compensation earned by, awarded to or paid to our Chief Executive Officer and the remaining four most highly compensated executive officers for the years ended December 31, 2001, 2002, and 2003. We refer to these officers as our "named executive officers" in other parts of this prospectus.

Summary Compensation Table

					Long Term Compensation		
		Annual Compensation			Awards	Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($) (1)	Securities Underlying Options	LTIP Payouts ($)	All Other Compensation ($)
	2003	—	—	—	—	—	—
Wesley R. Edens	2002	—	—	—	—	—	—
Chief Executive Officer (2)	2001	—	—	—	—	—	—
	2003	184,102	256,014	59,391(4)	820,000	—	—
David J. Grain	2002	—	—	—	—	—	—
President (3)	2001	—	—	—	—	—	—
William T. Freeman,	2003	200,001	174,414	—	—	—	—
Executive Vice President, Chief							
Financial	2002	200,000	340,000	—	697,000	—	—
Officer and Assistant Secretary	2001	62,179	40,000	—	—	—	—
W. Scot Lloyd	2003	200,000	132,014	—	—	—	—
Former Executive Vice President							
of Sales &	2002	16,667	50,000	—	410,000	—	—
Marketing (5)	2001	—	—	—	—	—	—
Stephen W. Crawford	2003	110,833	76,000	50,000(7)	102,500	—	—
Former Executive Vice President,	2002	—	—	—	—	—	—
General Counsel and Secretary (6)	2001	—	—	—	—	—	—
Steven R. Day	2003	67,169	—	—	—	—	363,800(9)
Former Chief Executive	2002	346,539	680,000	—	933,888	—	—
Officer (8)	2001	291,833	150,000	—	—	—	—

(1) For each named executive officer, other than Messrs. Grain and Crawford, the aggregate dollar amount of perquisites or other personal benefits did not exceed the lesser of (a) $50,000 and (b) 10% of the total salary and bonus reported by such named executive officer for such fiscal year.

(2) Mr. Edens served as our acting Chief Executive Officer from January 31, 2003 until February 11, 2004, when he was appointed as our Chief Executive Officer. Mr. Edens did not receive any base salary or bonus in 2003 for his services as our acting Chief Executive Officer.

(3)Mr. Grain joined us on January 31, 2003.
(4)This amount represents relocation payments paid to Mr. Grain.
(5)Mr. Lloyd's employment was terminated on January 16, 2004.
(6)Mr. Crawford joined us on June 2, 2003 and his employment was terminated on September 15, 2004. In July 2004, our board of directors elected Greerson G. McMullen to serve as our Executive Vice President, General Counsel and Secretary replacing Stephen W. Crawford.
(7)This amount represents relocation payments paid to Mr. Crawford.
(8)Mr. Day resigned as our Chief Executive Officer effective as of January 31, 2003.
(9)This amount represents severance payments in connection with Mr. Day's termination of employment.

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Option Grants in Last Fiscal Year

The following table sets forth information regarding stock options we granted during the year ended December 31, 2003, to the named executive officers. Potential realizable values are net of exercise price before taxes, and are based on the assumption that our common stock appreciates at the annual rate shown, compounded annually, from the date of grant until the expiration of the ten-year term. These numbers are calculated based on the Securities and Exchange Commission's requirements and do not reflect our projection or estimate of future stock price growth.

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
Name	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees During Fiscal Year Ended December 31, 2003	Exercise Price Per Share(3)	Expiration Date	5%	10%
Wesley R. Edens	—	—	—	—	—	—
David J. Grain (1)	410,000	27.40%	$ 4.26	7/22/13	$1,098,427	$2,783,631
	410,000	27.40%	$ 8.53	7/22/13	$ 0	$1,032,931
William T. Freeman	—	—	—	—	—	—
W. Scot Lloyd	—	—	—	—	—	—
Stephen W. Crawford (2)	51,250	3.42%	$ 4.26	6/2/13	$ 137,303	$ 347,954
	51,250	3.42%	$ 8.53	6/2/13	$ 0	$ 129,116
Steven R. Day	—	—	—	—	—	—

(1)30% of each of the $4.26 options and $8.53 options vested on each of December 31, 2003 and December 31, 2004. The remaining 40% of each of the $4.26 options and $8.53 options will vest on December 31,

2005. In the event Mr. Grain is terminated without cause by the Company (other than by reason of his death or disability) or he terminates for good reason, his options will vest in full.

(2)30% of each of the $4.26 options and $8.53 options vested on December 31, 2003. 30% of each of the $4.25 and $8.53 options and the remaining 40% of each of the $4.26 options and $8.53 options were scheduled to vest on December 31, 2005. Upon the termination of Mr. Crawford's employment on September 15, 2004, all of the options scheduled to vest on December 31, 2004 and 2005 were forfeited.

(3)Pursuant to the terms of our stock option plan, the exercise price of the then outstanding options was adjusted from $10.00 to $8.53 per share and from $5.00 to $4.26 per share, due to the $142.2 million one-time special distribution declared and paid to our stockholders on February 5, 2004. The option exercise price for each outstanding option granted under our stock option plan was adjusted pursuant to section 5 of our stock option plan which provides for an equitable substitution or proportionate adjustment as may be determined by the administrator, in its sole discretion, with respect to any increase, reduction, or change or exchange of shares for a different number or kind of shares or other securities or property by reason of a stock dividend, stock split or reverse stock split that the administrator determines, in its sole discretion, affects the shares such that an adjustment is appropriate. The exercise price of our outstanding options was adjusted such that the ratio of the option exercise price to the fair market value of our common stock, as determined by our board of directors, was the same before and after the special distribution.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Values

The following table sets forth information on unexercised options to purchase our common stock granted to the named executive officers and held by them as of December 31, 2003. No options were exercised during the year ended December 31, 2003.

Name	Shares Acquired on Exercise Vested	Value Realized	Number of Securities Underlying Unexercised Options at December 31, 2003 Vested	Unvested	Value of Unexercised In-The-Money Options at December 31, 2003 (1) Vested	Unvested
Wesley R. Edens	—	—	—	—	—	—
David J. Grain	—	—	246,000	574,000	$ 886,830	$ 2,069,270
William T. Freeman	—	—	—	697,000	—	$ 2,512,685
W. Scot Lloyd	—	—	—	410,000	—	$ 1,478,050
Stephen W. Crawford	—	—	30,750	71,750	$ 110,854	$ 258,659
Steven R. Day	—	—	466,944	—	$ 1,683,333	—

(1)There was no public trading market for our common stock as of December 31, 2003. Accordingly, these values have been calculated based on our board of directors' determination of the fair market value of the underlying shares as of December

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31, 2003 of $10 per share, less the applicable exercise price per share, multiplied by the underlying shares. These values reflect the exercise price reduction resulting from the special distribution declared and paid on February 5, 2004.

Omnibus Stock Incentive Plan

The Global Signal Inc. Omnibus Stock Incentive Plan (the "Plan") was originally adopted by our board of directors on October 31, 2002 and subsequently amended and restated on August 20, 2003, with the amended Plan receiving stockholder approval on August 22, 2003. The Plan was further amended and restated on February 11, 2004, with the subsequently amended Plan also receiving stockholder approval on February 11, 2004. The purpose of the Plan is to provide additional incentive to selected management employees, directors and consultants of the Company or any parent or subsidiary in order to strengthen the commitment of such persons, motivate such persons to faithfully and diligently perform their responsibilities and attract and retain competent and dedicated persons who are essential to the growth and success of our business and whose efforts will result in our long-term growth and profitability. To accomplish such purposes, the Plan provides for the issuance of stock options, stock appreciation rights, awards of restricted shares, deferred shares, performance shares and unrestricted shares.

A total of 6,715,000 shares of our common stock is reserved for issuance under the Plan, provided however, that commencing on the first day of the our fiscal year beginning in calendar year 2005, the number of shares reserved and available for issuance will be increased by an amount equal to the lesser of (1) 1,000,000 shares or (2) two percent (2%) of the number of outstanding shares of our common stock on the last day of the immediately preceding fiscal year. To the extent section 162(m) of the Internal Revenue Code, or Code, becomes applicable, the maximum aggregate number of shares that are subject to stock options that may be granted to any individual during any fiscal year is 2,000,000.

The Plan will initially be administered by our board of directors, although it may be administered by either our board of directors or any committee of our board of directors (the board or committee being sometimes referred to as the "plan administrator"). The plan administrator may interpret the Plan and may prescribe, amend and rescind rules and make all other determinations necessary or desirable for the administration of the Plan. The Plan permits the plan administrator to select the directors, key employees, and consultants who will receive awards, to determine the terms and conditions of those awards, including but not limited to the exercise price, the number of shares subject to awards, the term of the awards, the vesting schedule applicable to awards, and to amend the terms and conditions of outstanding awards, including, but not limited to reducing the exercise price of such awards, extending the exercise period of such awards and accelerating the vesting schedule of such awards.

We may issue incentive stock options or non-qualified stock options under the Plan. The incentive stock options granted under the Plan are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code and may only be granted to employees of the Company or of its parents or subsidiaries. The option exercise price of all stock options granted under the Plan will be determined by the administrator, except that any incentive stock option or any stock option intended to qualify as performance-based compensation under Code Section 162(m) will not be granted at a price that is less than 100% of the fair market value of the stock on the date of grant. Further, the exercise price of incentive stock options granted to stockholders who own greater than 10% of the voting stock will not be granted at a price less than 110% of the fair market value of the stock on the date of grant. The term of all stock options granted under the plan will be determined by the administrator, but may not exceed ten years (five years for incentive stock options granted to stockholders who own greater than 10% of the voting stock). No incentive stock option may be granted to an optionee, which, when combined with all other incentive stock options becoming exercisable in any calendar year that are held by that optionee, would have an aggregate fair market value in excess of $100,000. In the event an optionee is awarded $100,000 in incentive stock options in any calendar year, any incentive stock options in excess of $100,000 granted during the same year will be treated as nonqualified stock options. Each stock option will be exercisable at such time and pursuant to such terms and conditions as determined by the administrator in the applicable stock option agreement.

Unless the applicable stock option agreement provides otherwise, in the event of an optionee's termination of employment or service for any reason other than cause, retirement, disability or death, such optionee's stock options (to the extent exercisable at the time of such termination) generally will remain exercisable until 90 days after such termination and will expire thereafter. Unless the applicable stock option agreement provides otherwise, in the event of an optionee's termination of employment or service due to retirement, disability or death, such optionee's stock options (to the extent exercisable at time of such termination) generally will remain exercisable until one year after such termination and will expire thereafter. Stock options that were not exercisable on the date of termination will expire at the close of business on the date of such termination. In the event of an optionee's termination of employment or service for cause, such optionee's outstanding stock options will expire at the commencement of business on the date of such termination.

In the event of a change in control (as defined below), unless each outstanding stock option is assumed, continued or substituted pursuant to the change in control transaction's governing document, such stock options will become fully vested and exercisable immediately prior to the effective date of such change in control and will expire upon the effective date of such change in control. If a change in control transaction occurs which is a qualifying asset sale (as defined in the Plan) or which includes a continuation, assumption or substitution of stock options, and an optionee's employment with the Company or any acquiring entity or affiliate thereof is terminated by the employer other than for cause on or after the effective date of the change in control but prior to the first anniversary of the effective date of the change in control, the optionee's outstanding options will become fully vested and exercisable as of such date. The term "change in control" generally means the first to occur of (1) any person becoming the beneficial owner of more than 50% of the total voting power of the then outstanding voting stock and (2) a sale of all or substantially all of the assets of the Company to another entity where stockholders of the Company immediately prior to the asset sale do not own 50% or more of the total voting power of the purchasing entity in substantially the same proportions as their ownership of the Company prior to such asset sale.

In the event of a dissolution or liquidation of the Company, the administrator may permit optionees to exercise stock options, including stock options that would not otherwise be exercisable, until ten days prior to such transaction. To the extent not exercised, these stock options will terminate immediately prior to the proposed transaction.

Stock appreciation rights ("SARs") may be granted under the Plan either alone or in conjunction with all or part of any stock option granted under the Plan. A stand-alone SAR granted under the Plan entitles its holder to receive, at the time of exercise, an amount per share equal to the excess of the fair market value (at the date of exercise) of a share of common stock over a specified price fixed by the plan administrator. An SAR granted in conjunction with all or part of a stock option under the Plan entitles its holder to receive, at the time of exercise, an amount per share equal to the excess of the fair market value (at the date of exercise) of a share of common stock over the exercise price of the related stock option. In the event of a participant's termination of employment or service, stand alone SARs will be exercisable at such times and subject to the terms and conditions determined by the plan administrator at or after grant, while SARs granted in conjunction with all or part of a stock option will be exercisable at such times and subject to terms and conditions as set forth for the related stock option.

Restricted shares, deferred shares and performance shares may be granted under the Plan. The plan administrator will determine the purchase price, performance period and performance goals, if any, with respect to the grant of restricted shares, deferred shares and performance shares. Participants with restricted shares and shares of preferred stock generally have all of the rights of a stockholder. With respect to deferred shares, during the restricted period, subject to the terms and conditions imposed by the plan administrator, the deferred shares may be credited with dividend equivalent rights. If the performance goals and other restrictions are not attained, the participant will forfeit his or her shares of restricted shares, deferred shares and/or performance shares. Subject to the provisions of the Plan and applicable award agreements, the plan administrator has sole discretion to provide for the lapse of restrictions in installments or the acceleration or waiver of restrictions (in whole or part) under certain circumstances, including, but not limited to, the attainment of certain performance goals, a participant's termination of employment or service, a participant's death or disability or occurrence of a change in control as defined in the applicable award agreement.

The Plan provides that each of our non-employee directors (as defined in the Plan) will automatically receive annual awards of our common stock with an aggregate fair market value of $15,000, valued as of

the date of grant, on the first business day after our annual meeting of stockholders, commencing in 2005, and each annual meeting thereafter during which the Plan is in effect. On April 15, 2004, we amended the Plan for each of our non-employee directors (as defined in the Plan) who do not beneficially own 10% or more of our common stock, or "eligible directors". Each member of our board who was an eligible director immediately prior to the consummation of our initial public offering was granted 5,000 shares of our common stock under the Plan on the first day following the consummation of our initial public offering. In addition, each of the eligible directors will be granted 5,000 shares on each of the first days following 1) the meeting of stockholders in 2005 at which directors are to be elected and 2) the meeting of stockholders in 2006 at which directors are to be elected, so long as such eligible director continues to serve as one of our directors on each grant date. An eligible director who receives any of the grants described in the preceding sentence during any fiscal year will not be eligible to receive the automatic stock grants under the Plan for that fiscal year.

In the event of a merger, consolidation, reorganization, recapitalization, stock dividend or other change in corporate structure affecting the number of issued shares of common stock, the plan administrator may make an equitable substitution or proportionate adjustment in (1) the aggregate number of shares reserved for issuance under the Plan, (2) the maximum number of shares that may be granted to any participant in any calendar year, (3) the kind, number and exercise price subject to outstanding stock options and SARs granted under the Plan, and (4) the kind, number and purchase price of shares subject to outstanding awards of restricted shares, deferred shares and performance shares granted under the Plan. In addition, the plan administrator, in its discretion, may terminate all awards with payment of cash or in-kind consideration.

The terms of the Plan provide that the board may amend, alter or discontinue the Plan, but no such action may impair the rights of any participant with respect to outstanding awards without the participant's consent. Unless the board determines otherwise, stockholder approval of any such action will be obtained if required to comply with applicable law or stock exchange requirements. The Plan will terminate on November 1, 2012.

Employment Contracts, Termination of Employment and Change-in-Control Arrangements

Mr. Day's employment with us terminated on January 31, 2003, and we entered into an Agreement and General Release (the "General Release") with him which became effective on such date. In consideration of Mr. Day's execution and compliance with the conditions of the General Release, including releasing of all claims and abiding by certain non-competition, confidentiality and proprietary information obligations, Mr. Day was entitled to an aggregate severance payment of $363,800 (less applicable withholding). In addition, Mr. Day and certain of his dependents were entitled to group health plan benefits for 18 months following such effective date, and Mr. Day will be entitled to use the automobile we supplied for a period of 24 months following such effective date. Finally, the vesting with respect to Mr. Day's outstanding option was accelerated such that he is entitled to exercise 233,472 shares at an exercise price of $5 and 233,472 shares at an exercise price of $10, and such shares will remain exercisable until the fourth anniversary of the effective date of the General Release. The remaining shares subject to his outstanding option were terminated. Pursuant to the stated terms of the stock option plan, the exercise price of the options was adjusted as follows, as a result of the one-time special distribution of $142.2 million declared and paid on February 5, 2004: the

$5 price was reduced to $4.26 per share and the $10 price was reduced to $8.53 per share. Mr. Day exercised all of his vested options during June and July of 2004.

We have entered into employment agreements with each of Messrs. Grain and Freeman. The agreement for Mr. Grain became effective on January 31, 2003, and provides for a three-year term that will automatically renew for consecutive one year extensions, unless written notice to the contrary is provided to the other party. The agreement for Mr. Freeman became effective on November 1, 2002 and provides for a three-year term that will automatically renew for consecutive one year extensions, unless written notice to the contrary is provided to the other party. Each of Messrs. Grain and Freeman's agreements contain confidentiality, non-competition and non-solicitation provisions effective through the term of the agreement and for a period of twelve months thereafter.

In the event Mr. Grain's employment is terminated by us for any reason other than for cause (except by reason of his death or disability) or by Mr. Grain for good reason, Mr. Grain will be entitled to a severance payment of $425,000 and his outstanding options will vest immediately and remain exercisable for three years after such termination. In the event Mr. Grain's agreement has expired as a result of our decision not to extend the agreement and Mr. Grain is subsequently terminated under circumstances that would have constituted termination without cause or with good reason under the agreement, his outstanding previously vested options will remain exercisable for three years after such termination.

Mr. Grain's employment agreement, effective January 31, 2003, provided that, as a relocation benefit, we would reimburse him for the difference between the sale price of his West Newton, Massachusetts residence and a specified minimum price, as described in that agreement. Mr. Grain's employment agreement was amended on January 15, 2004 to provide that in the event he is unable to sell his West Newton, Massachusetts residence on or prior to January 10, 2004 for the Minimum Price (as set forth in his employment agreement) and Mr. Grain is able to find a purchaser, on or prior to April 30, 2004, who has contracted to purchase such residence, we will purchase the residence from Mr. Grain for the Minimum Price, provided Mr. Grain agrees to assign the contract for sale entered into by Mr. Grain and the purchaser to us, subject to the condition subsequent that such contract for sale be consummated. Mr. Grain entered into a contract for the sale of his residence which closed on February 27, 2004. Our net cash cost, after the sale of the residence under the assigned contract for sale, was $457,848.

In the event Mr. Freeman's employment is terminated by us for any reason other than for cause or upon a change in control of Global Signal, all of his outstanding options will vest immediately and remain exercisable for 90 days plus the number of days remaining, if any, in the then operative "closed period" during which Mr. Freeman would be precluded from trading Global Signal's shares pursuant to our insider trading rules. In addition, if Mr. Freeman's employment is terminated by us for any reason other than for cause, he will be entitled to the following severance payment and benefits for twelve months after such termination, as long as he is not in breach of the non-competition, preservation of trade secrets and non-trade secret protectible business interest provisions contained in the agreement: (1) base salary (at a rate then in effect), (2) continued use of the company provided cell phone and vehicle and (3) employee benefits afforded to senior management excluding 401(k) plan participation.

We entered into an employment agreement with Mr. Lloyd. The agreement for Mr. Lloyd became effective on December 2, 2002, and provided for a one-year term that automatically renewed for consecutive one year extensions, unless written notice to the contrary was provided to the other party. Mr. Lloyd's agreement contained confidentiality and non-solicitation provisions effective during Mr. Lloyd's employment with us and for a period of one year thereafter. Although Mr. Lloyd was entitled to an annual bonus ranging from 50% up to 100% of his annual salary based on achieving certain goals, he received a guaranteed bonus of $50,000 regardless of whether any goals were attained. Mr. Lloyd's employment was terminated on January 14, 2004. Pursuant to his employment agreement, he was paid a lump sum payment equal to one year's base salary (at a rate of $200,000) and 50% of his outstanding unvested options automatically vested and became exercisable.

On February 5, 2004, Pinnacle Towers LLC, then known as Pinnacle Towers Inc., and Global Signal Inc. agreed to assign all of their respective rights and Global Signal Services LLC, our wholly owned service company, agreed to assume all of Pinnacle Towers' and Global Signal's obligations under all employment agreements and offer letters.

Subsequently, we entered into an employment agreement with Mr. McMullen effective June 18, 2004, which provides for at-will employment. The agreement provides for an annual base salary of $200,000, which may not be reduced without Mr. McMullen's approval. The agreement also provides for a signing bonus of $100,000 (reducible by the cost of relocation expenses that were billed directly to or reimbursed by us).

Mr. McMullen has an opportunity to earn an annual discretionary bonus with a target of 100% of his base salary each calendar year in which he is employed by us, according to our bonus policy and taking into account our success and Mr. McMullen's contribution to that success. With respect to 2004, he is guaranteed a bonus equal to 100% of his 2004 base salary.

In the event Mr. McMullen's employment is terminated by us for any reason other than for cause or by Mr. McMullen for good reason (within 30 days of the occurrence of circumstances giving rise to good reason), Mr. McMullen will be entitled to a lump sum severance payment equal to one half of one year's base salary. If, however, we terminate Mr. McMullen's employment without cause prior to the first anniversary of the date on which Mr. McMullen actually commenced work, he will be entitled to the greater of (a) a lump sum severance payment equal to one half of one year's base salary and (b) the amount Mr. McMullen would have earned by such date (assuming payment of the guaranteed 2004 bonus, but no other bonus). Payment of any severance is conditioned on Mr. McMullen's execution of a separation agreement (which includes a general release of claims) and Mr. McMullen's compliance with his non-compete, no solicitation and confidentiality agreement. The severance payment is in lieu of any amount that Mr. McMullen would be entitled to under our severance policy, if any, then in effect.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Pinnacle Towers Acquisition Holdings LLC

On February 5, 2004, we closed a securitization transaction and repaid all amounts outstanding under our old credit facility with Bank of America, N.A. See "Description of Certain Indebtedness." Our old credit facility included covenants requiring consent from our lenders for transactions, including certain acquisitions. On September 23, 2003, 99% of our stockholders, in the same proportion as their ownership of Global Signal, formed a new company, Pinnacle Towers Acquisition Holdings LLC, or Pinnacle Acquisition, then known as Pinnacle Towers Acquisition Inc., for the purpose of acquiring and operating telecommunications sites and certain related assets through an entity not constrained by our old credit facility. These stockholders participated by becoming stockholders in Pinnacle Acquisition such that each participating stockholder's proportionate ownership of the outstanding common stock of Pinnacle Acquisition equaled its proportionate ownership of our outstanding common stock. At formation of Pinnacle Acquisition, Fortress Pinnacle Investment Fund LLC and FRIT PINN LLC collectively held 60.0% of its common stock. Greenhill Capital Partners, L.P., Greenhill Capital, L.P., Greenhill Capital Partners (Executives), L.P. and Greenhill Capital Partners (Cayman), L.P. collectively held 20.7% of Pinnacle Acquisition's common stock. Whitecrest Partners, L.P., Abrams Capital Partners I, L.P., 222 Partners, LLC, Abrams Capital Partners II, L.P. and Great Hollow International, LP collectively held 14.1% of Pinnacle Acquisition's common stock. Calm Waters Partnership, Strong Special Investment L.P., Harbour Holdings, Ltd., Walter Morris, Strong Qwest L.P. and Charles A. Paquelet collectively held 3.9% of Pinnacle Acquisition's common stock. The remaining stockholders collectively held 1.3% of Pinnacle Acquisition's common stock.

On October 29, 2003, each stockholder of Pinnacle Acquisition granted to us an option to purchase all, but not less than all, of its shares of Pinnacle Acquisition at a purchase price equal to their par value plus interest on that par value at an annual rate of 10%. The terms of the option provided that it became exercisable at any time upon the repayment of all amounts under our old credit facility. In connection with the close of our securitization transaction and the repayment of our old credit facility, we exercised our option with respect to all the outstanding common stock of Pinnacle Acquisition and on February 6, 2004, Pinnacle Acquisition became our wholly owned subsidiary. The aggregate purchase price pursuant to the option was approximately $21,000.

At the time of our acquisition of the outstanding common stock of Pinnacle Acquisition on February 5, 2004, it owned 67 communications sites primarily located in the southeastern United States. These assets had a net book value of $26.9 million and there were other current assets of $0.4 million. The acquisition of these assets was financed with borrowings under the credit facility of which $28.0 million was outstanding on February 5, 2004. These assets were originally acquired on December 4, 2003 from TowerCom Enterprises LLC and its affiliates for approximately $26.3 million, plus fees and expenses.

On September 23, 2003, our largest operating subsidiary, Pinnacle Towers, entered into a management agreement with Pinnacle Acquisition whereby it agreed to provide, for a specified management fee, certain site management, marketing and operating services for telecommunications sites owned by Pinnacle Acquisition through its wholly owned subsidiary, Pinnacle Towers Acquisition LLC. The aggregate management fee our subsidiary received under the agreement until Pinnacle Acquisition became our wholly owned subsidiary was approximately $77,000. On February 5, 2004, Pinnacle Towers LLC, then known as Pinnacle Towers Inc., assigned its rights and obligations under this management agreement to Global Signal Services LLC, one of our wholly owned subsidiaries.

Monitoring Fee

At our board meeting on December 4-5, 2003, the board passed a resolution renewing the annual monitoring fee of $2.0 million for the one year period from November 1, 2003 to October 31, 2004 to Fortress Pinnacle Acquisition LLC and Greenhill. This monitoring fee was provided as compensation for consulting and management advisory services and analysis, including assistance in our reorganization and the re-engineering of our business process, assistance in identifying, recruiting and hiring our executives, assistance in forming and executing our capital management strategy and assistance in executing our acquisition strategy, as were requested by us and provided by Fortress and Greenhill. Fortress, Greenhill and Global Signal are parties to an Investor Agreement, dated November 1, 2002, as amended October 29, 2003, and which was amended and restated on March 31, 2004. Section 4.1 of the original Investor Agreement permitted the payment of the monitoring fee and the provision of services in connection therewith to be renewed on an annual basis by the vote of a majority of our board that includes the vote of at least one director who is not a designee of either Fortress or Greenhill or an "Affiliate" or "Associate" (each, as defined in the Investor Agreement) thereof or a member of our management and who is not, directly or indirectly, receiving compensation for such vote. Our board of directors approved the resolution, in compliance with the Investor Agreement, with Mr. David Abrams voting. In 2002, we made monitoring fee payments equal to $0.3 million and during the calendar year 2003 we made monitoring fee payments equal to $2.5 million, of which $2.0 million was to cover our obligations for 2003 and $0.5 million was for the first quarter of 2004. We believe the monitoring fee represented an arm's length transaction at pricing consistent and competitive with those of other unrelated companies that provide such services. Pursuant to our Amended and Restated Investor Agreement, the monitoring fee was 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. Wesley R. Edens, our Chief Executive Officer and Chairman of our board of directors, is the Chief Executive Officer and Chairman of the board of directors of Fortress. Robert H. Niehaus, Vice Chairman of our board of directors, is the Chairman of entities that control the general partners of Greenhill.

Broadcast Towers, Inc.

In February 2003, our largest operating subsidiary, Pinnacle Towers LLC, or Pinnacle Towers, then known as Pinnacle Towers Inc., sold the capital stock of Broadcast Towers, Inc., or BTI, to former Pinnacle Towers President Ben Gaboury for ten dollars. Pinnacle Towers acquired this entity in August 2000, prior to our reorganization for an aggregate purchase price of $14.2 million. BTI's primary business was the management of in-building telecommunication access via building risers. In 2002, BTI generated negative cash flow as a result of the loss of BTI's four largest customers and, as such, we recognized impairment losses to fully write-off the net book value of these assets. Because we considered BTI's business to be non-core to our business strategy and because of the continuing losses and negative cash flow BTI was generating, we determined that the disposal of this business was in our best interest. After conducting a comparative analysis of the liabilities associated with exiting BTI's remaining contractual obligations, servicing those obligations until their expiration and the cost of terminating BTI's remaining employees, the board of directors resolved on January 27, 2003 to dispose of the capital stock of BTI and sell it to Mr. Gaboury for ten dollars.

Amended and Restated Investor Agreement

General

We entered into the Investor Agreement dated as of November 1, 2002, as amended October 29, 2003, with Fortress Pinnacle Acquisition LLC, Greenhill and electing noteholders of our 10% Senior Discount Notes due 2008. These electing noteholders included Abrams Capital, LLC and its affiliates as follows: Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P., Abrams Capital International L.T.D. and Whitecrest Partners, L.P. Other electing noteholders include the following entities: FRIT PINN LLC, Calm Waters Partnership, Highbridge Capital Management /Z Special Opportunities LLC, Strong Special Investment, Harbour Investments Ltd., Arbiter Partners, L.P., Walter Morris, Strong Qwest L.P., John Constable, Marjorie S. Isaac Trust-Irving Isaac (Marital Trust) and Charles A. Paquelet.

The Investor Agreement was amended and restated on March 31, 2004, such that effective upon the consummation of our initial public offering the rights of the parties to the agreement, other than registration rights, were terminated. We made no payments in connection with the amendment and restatement. We have included a summary of the Investor Agreement prior to the amendment and restatement following this summary of the Amended and Restated Investor Agreement.

The following is a summary of material provisions of the Amended and Restated Investor Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to

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the Amended and Restated Investor Agreement, a copy of which was filed as an exhibit to the registration statement for our initial public offering.

Registration Rights

We have granted to Fortress Pinnacle Acquisition LLC, Greenhill and Abrams Capital Partners II, L.P. and certain of their related partnerships and their respective permitted and third party transferees to the extent that any of them or their permitted or third party transferees together with their respective permitted transferees holds 5% of our issued and outstanding common stock (each, a "Stockholder"), "demand" registration rights that allow the Stockholders to request that we register under the Securities Act of 1933 an amount equal to or greater than 5% of our stock held by such Stockholders together with their respective affiliates. Each Stockholder is entitled to an aggregate of three demand registrations. We are not required to maintain the effectiveness of the registration statement for more than 60 days. We are also not required to effect any demand registration within six months of a "firm commitment" underwritten offering to which the requestor held "piggyback" rights and which included at least 50% of the securities requested by the requestor to be included. We are not obligated to grant a request for a demand registration within six months of any other demand registration, and may refuse a request for demand registration if in our reasonable judgment, it is not feasible for us to proceed with the registration because of the unavailability of audited financial statements.

We have granted the Stockholders "piggyback" registration rights that allow them to include the shares of common stock that they own in any public offering of equity securities initiated by us, other than those public offerings on registration statements on Forms S-4 or S-8. The "piggyback" registration rights of these Stockholders are subject to proportional cutbacks by the underwriters in the manner described in the Amended and Restated Investor Agreement. The Stockholders have agreed to waive the "piggyback" registration rights in connection with this offering.

We have granted Fortress, Greenhill and their respective permitted transferees the right to request shelf registration on Form S-3, providing for an offering to be made on a continuous basis, subject to a time limit on our efforts to keep the shelf registration statement continuously effective and our right to suspend the use of the shelf registration prospectus for a reasonable period of time (not exceeding 60 days in succession or 90 days in the aggregate in any 12 month period) if we determine that certain disclosures required by the shelf registration statement would be detrimental to us or our stockholders. In addition, each Stockholder may elect to participate in the shelf registration within ten days after notice of the registration is given.

We have agreed to indemnify each selling stockholder against any losses or damages resulting from any untrue statement or omission of material fact in any registration statement or prospectus, unless such liability arose from the selling stockholder's misstatement or omission. The selling stockholder agrees to indemnify us against all losses caused by its misstatements or omissions. We will pay all expenses incident to our performance under the Amended and Restated Investor Agreement, and the selling stockholders will pay their respective portions of all underwriting discounts, commissions and transfer taxes relating to the sale of their shares under the agreement.

Investor Agreement

Prior to its amendment and restatement on March 31, 2004, the Investor Agreement dated as of November 1, 2002, as amended October 29, 2003, provided "demand" registration rights to Fortress Pinnacle Acquisition LLC, Greenhill and electing noteholders of our 10% Senior Discount Notes due 2008 (collectively, the "Investors"), so long as they held at least 5% of the then outstanding amount eligible to be registered. In addition, we granted "piggyback" registration rights to the Investors and the right to request shelf registration on Form S-3 to Fortress, Greenhill and their respective permitted transferees. We also granted preemptive rights to each Investor, so long as it and its affiliates owned at least 10% of the outstanding registrable securities as described in the Investor Agreement. Fortress, Greenhill and Abrams waived their registration and preemptive rights under the Investor Agreement with respect to our initial public offering.

We were also required to pay Fortress and Greenhill (on a pro rata basis) an annual monitoring fee of $2.0 million, paid on a quarterly basis, for the period between November 1, 2002 and October 31, 2003,

constituting compensation for consulting and management advisory services and analysis. The monitoring fee and the provision of services in connection with it were renewable on an annual basis by a vote of a majority of our board of directors, including the vote of at least one director who was not a designee of Fortress, Greenhill or their affiliates or a member of our management and who received no compensation for such vote. Pursuant to the terms of the Investor Agreement, we renewed the annual monitoring fee of $2.0 million for the one-year period from November 1, 2003 to October 31, 2004. In 2002, we made monitoring fee payments equal to $0.3 million and in 2003 we made monitoring fee payments equal to $2.5 million, of which $2.0 million covered our obligations for 2003 and $0.5 million was for the first quarter of 2004. Pursuant to our Amended and Restated Investor Agreement, the monitoring fee terminated upon the consummation of our initial public offering. Fortress and Greenhill waived any right to receive any payment with respect to the monitoring fee for all periods after March 31, 2004.

The Investor Agreement also required the Investors to vote the voting stock they beneficially owned to elect certain directors, including those designated by Fortress, Greenhill and Abrams. In addition, we agreed not to take, or to allow our subsidiaries to take, a number of actions without first obtaining approval from Fortress and Greenhill. Pursuant to the terms of the Amended and Restated Investor Agreement, upon consummation of our initial public offering, we and our subsidiaries were no longer required to obtain the approval of Fortress and Greenhill prior to taking any action.

In addition, pursuant to the terms of the Investor Agreement, each Investor had tag-along rights if Fortress or Greenhill proposed to sell shares of our common stock and drag-along rights if either Fortress or Greenhill held over 55% of the shares of our common stock (or both Fortress and Greenhill acting together) and proposed to sell all of their registrable securities as described in the Investor Agreement. In addition, if any Investor proposed to sell any of its registrable securities as described in the Investor Agreement, it must notify other Investors holding (together with their affiliates) more than 10% of the registrable securities outstanding at the time of the proposed sale and those Investors had the right to purchase a pro rata portion of the offered securities at the offered price. Each Investor also agreed not to transfer its shares for two years unless the transfer was made with both Fortress' and Greenhill's consent, or the transfer was to certain permitted transferees as stated in the Investor Agreement.

On October 29, 2003, the Agreement was amended to allow the transfer of pledged stock to Morgan Stanley Asset Funding Inc. or to any person upon foreclosure or the exercise of other remedies under the Pledge Agreement among Fortress Pinnacle Acquisition, Greenhill Capital Partners and other Pledgors dated October 29, 2003. Upon the transfer to Morgan Stanley of the capital stock held by Greenhill Capital Partners and/or Fortress Pinnacle Acquisition, the amendment provided that payment of the monitoring fee to Fortress and Greenhill will cease when they collectively own or control 50% or less of our capital stock.

February 2004 Mortgage Loan 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, the February 2004 mortgage loan, made payable to a newly formed trust. The trust simultaneously issued $418.0 million in certificates with terms identical to the mortgage loan. The commercial mortgage pass-through certificates were rated AAA through B by two rating agencies. See "Description of Certain Indebtedness — The February 2004 Mortgage Loan."

Two affiliates of Fortress purchased from the underwriters $63.0 million of $73.0 million B and BB rated pass-through certificates at a price to yield of approximately 9% on a blended basis, and the balance of the B and BB rated pass-through certificates were sold on identical terms to an independent third party mutual fund.

December 2004 Mortgage Loan Debt

On December 7, 2004, our operating subsidiary, Pinnacle Towers Acquisition Holdings LLC, and five of its direct and indirect subsidiaries borrowed $293.8 million under a mortgage loan made payable to a newly formed trust. The trust simultaneously issued $293.8 million in certificates with terms identical to the mortgage loan. The commercial mortgage pass-through certificates were rated AAA through BB– by two rating agencies. See "Description of Certain Indebtedness — The December 2004 Mortgage Loan."

An affiliate of Fortress purchased from the underwriters $17.0 million of BB rated pass-through certificates at a price to yield of approximately 6.376% and the balance of the BB rated pass-through certificates were sold on identical terms to other independent parties.

Options

In 2003, our board of directors awarded options to purchase 820,000 shares of our common stock to Mr. Kevin Czinger, a former employee of Fortress Capital Finance LLC, who served on our board of directors from January 2003 until February 2004, in exchange for his agreement to provide financial advisory services to us over an expected three-year period. 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 the options have an exercise price of $5 per share and the remainder have 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 one-time special distribution declared and paid to our stockholders on February 5, 2004. Upon the completion of our internal restructuring program, including the installation of an experienced management team, we terminated Mr. Czinger's consulting arrangement in March 2004 and the vesting of the outstanding options was modified. After modification, he is entitled to exercise 246,000 shares at an exercise price of $4.26 and 246,000 shares at an exercise price of $8.53 until December 31, 2004. The remaining options to acquire 328,000 shares of common stock expired upon his termination pursuant to the terms of the award. As of December 17, 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 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 agreement and the resulting modification, we recognized an expense of $2.6 million related to these options. There will be no future expense related to this individual's options.

Warrants

As part of our reorganization, warrants to purchase 418,050 shares of our common stock at $10 per share, exercisable until October 31, 2007 were issued to Fortress and 197,088 of such warrants were issued to Abrams Capital, LLC and certain of its affiliates in connection with the cancellation of $187.6 million of the 51/2% convertible subordinated notes due 2007 (representing approximately 1% of our equity capitalization at November 1, 2002). This exercise price was adjusted pursuant to the term of the warrant agreement, from $10 to $8.53 due to the special distribution declared and paid on February 5, 2004. On March 5, 2004, Abrams Capital, LLC and certain of its affiliates exercised warrants to purchase 197,088 shares of common stock, at an exercise price of $8.53 per share of common stock. On April 5, 2004, Fortress exercised 418,050 warrants for an equal number of shares of common stock, at an exercise price of $8.53 per share of common stock.

Old Credit Facility

Our largest operating subsidiary, Pinnacle Towers LLC, formerly known as Pinnacle Towers Inc., together with 13 of its direct and indirect subsidiaries, was a party to an amended and restated credit facility, our old credit facility, which provided a term loan with outstanding borrowings totaling $235.0 million at December 31, 2003. Our old credit facility was provided by a syndicate of lenders, for which Bank of America, N.A. served as the administrative agent. Prior to our repayment of the old credit facility, this bank debt had been actively traded. As of December 31, 2003, FRIT PINN LLC and FIT PINN BL LLC, both of which are affiliates of Fortress (which, after giving effect to this offering, will beneficially own approximately 37.1% of our outstanding common stock), owned, respectively, approximately $7.0 million and approximately $7.5 million of the outstanding bank debt through a participation agreement with one of the syndicate lenders. Greenhill (which, after giving effect to this offering, will beneficially own approximately 15.8% of our outstanding common stock), owned up to approximately $5.6 million of the outstanding bank debt between December 2001 and October 2003 also through a participation agreement. Greenhill reports that it sold all of the outstanding bank debt by October 2003.

Options Granted to Fortress and Greenhill

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 and our stockholders approved options to FRIT PINN LLC and Greenhill, or affiliates of such entities, to purchase shares of our common stock equal to an aggregrate of 10% of the number of shares to be issued in that offering in the following amounts (1) for FRIT PINN LLC (or its affiliates), the right to acquire 644,000 shares which is 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 is 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 is equal to our initial public offering price per share. All of the options are immediately vested and exercisable and will remain exercisable for ten years. The services provided by Fortress and Greenhill included advice with respect to selection of underwriters and counsel, deal structuring and timetable planning, document preparation and financial advisory services.

Pledge Shelf Registration Statement

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.

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."

SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 21, 2004, the total number of shares of our common stock beneficially owned, and the percent so owned, by (1) each person known by us to own more than 5% of our common stock, (2) each of our directors and executive officers and (3) all directors and executive officers as a group.

The percentage of beneficial ownership of our common stock before this offering is based on 51,194,581 issued shares of our common stock outstanding as of December 21, 2004. The percentage of beneficial ownership of our common stock after this offering is based on 54,094,581 shares of our common stock outstanding. The table does not include the 77,642 shares of restricted stock granted by our board of directors on December 20, 2004 but not yet issued to various executives and employees under the Global Signal Omnibus Stock Incentive Plan, including David J. Grain, William T. Freeman, Jeffrey S. Langdon, Ronald G. Bizick II and Massoud Sedigh. The table assumes that the underwriters will not exercise their overallotment option to purchase up to 290,000 shares of common stock.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1) Before Offering Number of Shares (2)	Before Offering Percent (3)	After Offering Number of Shares (2)	After Offering Percent
Executive Officers and Directors (4)				
Wesley R. Edens (5)	25,493,796	49.2%	25,493,796	46.6%
David J. Grain (6)	498,000	*	498,000	*
William T. Freeman (7)	420,286	*	420,286	*
Jeffrey S. Langdon (8)	50,400	*	50,400	*
Ronald G. Bizick II (9)	256,000	*	256,000	*
Massoud Sedigh (10)	124,500	*	124,500	*
David Abrams (11)	5,988,434	11.7%	5,988,434	11.1%
Robert H. Gidel (12)	5,157,444	10.1%	5,157,444	9.5%
Douglas L. Jacobs	32,500	*	32,500	*
Robert H. Niehaus (13)	8,583,194	16.7%	8,583,194	15.8%
Howard Rubin	230,000	*	230,000	*
Mark Whiting	55,000	*	55,000	*
All directors and executive officers as a group (12 persons)	41,752,110	78.4%	41,752,110	74.3%
5% Stockholders				
Fortress Investment Holdings LLC (14)(15)	25,443,696	49.1%	25,443,696	46.5%
Greenhill Capital Partners, L.P. and affiliated investment funds (14)(16)	8,583,194	16.7%	8,583,194	15.8%
Abrams Capital, LLC (14)(17)	5,551,886	10.8%	5,551,886	10.3%
Fortress Pinnacle Investment Fund LLC (14)(18)	5,137,444	10.0%	5,137,444	9.5%

*Less than 1%

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock subject to options or warrants currently exercisable, or exercisable within 60 days of the date hereof, are deemed outstanding for computing the percentage of the person holding such options or warrants but are not deemed outstanding for computing the percentage of any other person.

(2) Consists of shares held, shares underlying stock options exercisable within 60 days and shares underlying warrants exercisable within 60 days.

(3) Percentage amount assumes the exercise by such persons of all options and warrants exercisable within 60 days to acquire shares of common stock and no exercise of options or warrants by any other person.

(4) The address of each officer or director listed in the table below is: c/o Global Signal Inc., 301 North Cattlemen Road, Suite 300, Sarasota, Florida 34232.

(5) Includes 50,100 shares held by Mr. Edens, 19,162,248 shares and an option to purchase 644,000 shares held by FRIT PINN LLC, 500,004 shares held by Fortress Registered Investment Trust, and 5,137,444 shares held by Fortress Pinnacle Investment Fund LLC. FRIT PINN LLC is a wholly owned subsidiary of Fortress Registered Investment Trust which is 100% owned by Fortress Investment Fund LLC. Fortress Investment Fund LLC is managed by its managing member Fortress Fund MM LLC which is managed by Fortress Investment Group LLC pursuant to a management agreement. Fortress Investment Group LLC is 100% owned by Fortress Investment Holdings LLC, an entity which is owned by certain individuals, including Mr. Edens, our Chief Executive Officer and Chairman of the Board. FIG Advisors LLC is the investment advisor of Fortress Pinnacle

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Investment Fund LLC and may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. FIG Advisors LLC disclaims beneficial ownership of such shares. FIG Advisors LLC is a wholly owned subsidiary of Fortress Investment Group LLC which is 100% owned by Fortress Investment Holdings LLC, an entity which is owned by certain individuals, including Mr. Edens, our Chief Executive Officer and Chairman of our board. By virtue of its ownership interest in FIG Advisors LLC, Fortress Investment Holdings LLC, may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. Fortress Investment Holdings LLC disclaims beneficial ownership of such shares. In addition, by virtue of his ownership interest in Fortress Investment Holdings LLC, Mr. Edens may be deemed to beneficially own the shares listed as beneficially owned by Fortress Investment Holdings LLC. Mr. Edens disclaims beneficial ownership of such shares.

(6) Includes 26,000 shares held by Mr. Grain and 472,000 options to purchase shares of our common stock.

(7) Includes 22,000 shares held by Mr. Freeman and 398,200 options and warrants to purchase 86 shares of our common stock.

(8) Includes 1,200 shares held by Mr. Langdon and 49,200 options to purchase shares of our common stock.

(9) Includes 10,000 shares held by Mr. Bizick and 246,000 options to purchase shares of our common stock.

(10) Includes 1,500 shares held by Mr. Sedigh and 123,000 options to purchase shares of our common stock.

(11) Includes 1,122,278 shares held by Whitecrest Partners, L.P., 518,602 shares held by Abrams Capital Partners I, L.P., 38,986 shares held by 222 Partners, LLC, 3,911,006 shares held by Abrams Capital Partners II, L.P., 345,762 shares held by Great Hollow International, L.P. and 33,700 held by Great Hollow Partners LLC. Great Hollows Partners LLC is the general partner of Great Hollow International, L.P., and Abrams Capital, LLC is the general partner for Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P., and Whitecrest Partners, L.P. David Abrams is the sole managing member of Great Hollow Partners, LLC, Abrams Capital, LLC and 222 Partners, LLC, and by virtue of the relationships described above, has sole voting power with respect to the shares identified above.

(12) Includes 20,000 shares held by Mr. Gidel and 5,137,444 shares held by Fortress Pinnacle Investment Fund LLC. Mr. Gidel is the sole manager of Fortress Pinnacle Investment Fund LLC and may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. Mr. Gidel disclaims beneficial ownership of such shares.

(13) Consists of 5,173,164 shares held by Greenhill Capital Partners, L.P., 1,662,506 shares held by Greenhill Capital, L.P., 832,686 shares held by Greenhill Capital Partners (Executives), L.P., 753,838 shares held by Greenhill Capital Partners (Cayman), L.P. and an option to purchase an aggregate of 161,000 shares, representing 2% of the number of shares sold in our initial public offering. By virtue of his position as Chairman of entities that control the general partners of Greenhill Capital Partners, L.P. and its affiliated investment funds, Mr. Niehaus may be deemed to beneficially own these shares.

(14) The address of Fortress Investment Holdings LLC is 1251 Avenue of the Americas, 16th Floor, New York, New York 10020. The address of Greenhill Capital Partners, L.P. and affiliated investment funds is 300 Park Avenue, 23rd Floor, New York, New York 10022. The address of Abrams Capital, LLC is 222 Berkeley Street, 22nd Floor, Boston, Massachusetts 02116. The address of Fortress Pinnacle Investment Fund LLC is 1251 Avenue of the Americas, 16th Floor, New York, New York 10020.

(15) Includes 19,162,248 shares and an option to purchase 644,000 shares held by FRIT PINN LLC, 500,004 shares held by Fortress Registered Investment Trust, and 5,137,444 shares held by Fortress Pinnacle Investment Fund LLC. FRIT PINN LLC is a wholly owned subsidiary of Fortress Registered Investment Trust which is 100% owned by Fortress Investment Fund LLC. Fortress Investment Fund LLC is managed by its managing member Fortress Fund MM LLC which is managed by Fortress Investment

Group LLC pursuant to a management agreement. Fortress Investment Group LLC is 100% owned by Fortress Investment Holdings LLC, an entity which is owned by certain individuals, including Mr. Edens, our Chief Executive Officer and Chairman of the Board. FIG Advisors LLC is the investment advisor of Fortress Pinnacle Investment Fund LLC and may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. FIG Advisors LLC disclaims beneficial ownership of such shares. FIG Advisors LLC is a wholly owned subsidiary of Fortress Investment Group LLC which is 100% owned by Fortress Investment Holdings LLC, an entity which is owned by certain individuals, including Mr. Edens, our Chief Executive Officer and Chairman of our board. By virtue of its ownership interest in FIG Advisors LLC, Fortress Investment Holdings LLC, may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. Fortress Investment Holdings LLC disclaims beneficial ownership of such shares. In addition, by virtue of his ownership interest in Fortress Investment Holdings LLC, Mr. Edens may be deemed to beneficially own the shares listed as beneficially owned by Fortress Investment Holdings LLC. Mr. Edens disclaims beneficial ownership of such shares.

(16)Consists of 5,173,164 shares held by Greenhill Capital Partners, L.P., 1,662,506 shares held by Greenhill Capital, L.P., 832,686 shares held by Greenhill Capital Partners (Executives), L.P. and 753,838 shares held by Greenhill Capital Partners (Cayman), L.P. and an option to purchase an aggregate of 161,000 shares representing 2% of the number of shares sold in our initial public offering held by these four entities and Greenhill Capital Partners LLC. By virtue of their ownership and management positions in entities that control the general partners of Greenhill Capital Partners, L.P. and its affiliated investment funds, Greenhill & Co., Inc., Greenhill Capital Partners, LLC, which controls the general partner of Greenhill Capital Partners, L.P. and its affiliated investment funds, Scott L. Bok, Robert F. Greenhill and Robert H. Niehaus may be deemed to beneficially own these shares.

(17)Includes 1,122,278 shares held by Whitecrest Partners, L.P., 518,602 shares held by Abrams Capital Partners I, L.P., and 3,911,006 shares held by Abrams Capital Partners II, L.P. Abrams Capital, LLC is the general partner of Whitecrest Partners, L.P., Abrams Capital Partners I, L.P., and Abrams Capital Partners II, L.P. David Abrams, a member of our board of directors, is the sole managing member of Abrams Capital, LLC and by virtue of the relationships described above, has sole voting power with respect to the shares identified above. The shares disclosed in the table as being beneficially owned by Abrams Capital, LLC are also included in the shares reported as being beneficially owned by Mr. Abrams.

(18)Consists of 5,137,444 shares held by Fortress Pinnacle Investment Fund LLC. Robert Gidel, one of our directors, is the sole manager of Fortress Pinnacle Investment Fund LLC and may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. Mr. Gidel disclaims beneficial ownership of such shares. In addition, FIG Advisors LLC is the investment advisor of Fortress Pinnacle Investment Fund LLC and may be deemed to beneficially own the shares listed as beneficially owned by Fortress Pinnacle Investment Fund LLC. FIG Advisors LLC disclaims beneficial ownership of such shares.

DESCRIPTION OF CAPITAL STOCK

General

As of December 17, 2004, our authorized capital stock consisted of:

- 150,000,000 shares of common stock, par value $0.01 per share; and
- 20,000,000 shares of preferred stock, par value $0.01 per share.

Set forth below is a summary description of all the material terms of our capital stock. This description is qualified in its entirety by reference to our amended and restated certificate of incorporation and amended and restated bylaws, a copy of each of which is incorporated as an exhibit to the registration statement of which this prospectus is a part.

Common Stock

Subject to our amended and restated certificate of incorporation's restrictions on transfer of our stock, each holder of our common stock is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess the exclusive right to vote for the election of directors and for all other purposes. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock can elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors.

Subject to any preference rights of holders of our preferred stock and our amended and restated certificate of incorporation's restrictions on transfer of our stock, the holders of our common stock are entitled to receive dividends, if any, declared from time to time by our board of directors out of legally available funds. In the event of our liquidation, dissolution or winding up, our holders of common stock are entitled to share ratably in all assets remaining after the payment of liabilities, subject to any rights of our holders of preferred stock to prior distribution.

Preferred Stock

The board of directors has the authority, without action by our stockholders, to issue preferred stock and to fix for each such class or series voting powers, and provide that any class or series may be subject to redemption, entitled to receive dividends, entitled to rights upon dissolution or convertible or exchangeable for shares of any other class or classes of capital stock. The rights with respect to a series of preferred stock may be greater than the rights attached to our common stock. It is not possible to state the actual effect of the issuance of any shares of our preferred stock on the rights of holders of our common stock until our board of directors determines the specific rights attached to that preferred stock. The effect of issuing preferred stock could include one or more of the following:

- restricting dividends on our common stock;
- diluting the voting power of our common stock;
- impairing the liquidation rights of our common stock; or
- delaying or preventing a change of control of Global Signal.

OP Units

The holders of units in our operating partnership, or OP Units, will have redemption rights, which will permit them, in some circumstances, to exchange their OP Units for cash, or, at our option, an equivalent number of our shares of common stock, which number is subject to adjustment as provided in the partnership agreement for the operating partnership. We currently own 100% of the OP Units.

Certain Provisions of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Transfer Restrictions

Our amended and restated certificate of incorporation contains restrictions on the number of shares of our stock that a person may own. No person, other than certain of our existing stockholders and subsequent owners of their stock, may acquire or hold, directly or indirectly, in excess of 9.9% of the value of the outstanding shares of any class or series of our stock using ownership calculation rules set forth in our amended and restated certificate of incorporation, unless they first receive an exemption from our board of directors.

Our amended and restated certificate of incorporation further prohibits, among other things, (a) any person from owning shares of our stock that would result in our being "closely held" under Section 856(h) of the Internal Revenue Code or otherwise cause us to fail to qualify as a REIT, and (b) any person from transferring shares of our stock if the transfer would result in our stock being owned by fewer than 100 persons, or impair our ability to satisfy the REIT income tests. Any person who acquires or intends to acquire shares of our stock that may violate any of these restrictions, or who is the proposed transferee of shares of our stock which are transferred to the Trust, as defined below, is required to give us immediate notice and provide us with such information as we may request in order to determine the effect of the transfer on our status as a REIT. The above restrictions will not apply if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT.

Our board of directors, in its sole discretion, may exempt a person from these limits subject to terms, conditions, representations and undertakings as our board determines provided that such exemption does not result in an individual beneficially owning more than 9.9% of the aggregate value of outstanding shares of each class or otherwise cause us to fail to qualify as a REIT or cause our stock to be beneficially owned by less than 100 persons. The person must agree that any violation or attempted violation of these terms, conditions, representations and undertakings will result in the automatic transfer of the shares of stock causing the violation to a trust ("Trust"). Our board of directors may require a ruling from the Internal Revenue Service or an opinion of counsel.

Any attempted transfer of, or other event occurring with respect to, our stock which, if effective, would result in violation of the above limitations, will cause the number of shares causing the violation (rounded to the nearest whole share) to be automatically transferred to the Trust for the exclusive benefit of one or more charitable beneficiaries ("Charitable Beneficiary"), and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be deemed to be effective as of the close of business on the business day (as defined in our amended and restated certificate of incorporation) prior to the date of the transfer or event. Shares of our stock held in the Trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of stock held in the Trust, will have no rights to dividends and no rights to vote or other rights attributable to the shares of stock held in the Trust. The Trustee of the Trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the Trust. These rights will be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to our discovery that shares of stock have been transferred to the Trust will be paid by the recipient to the Trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the Trustee. Any dividend or distribution paid to the Trustee will be held in trust for the Charitable Beneficiary. Subject to Delaware law, the Trustee will have the authority to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred for the benefit of the Charitable Beneficiary. However, if we have already taken irreversible corporate action, then the Trustee will not have the authority to rescind and recast the vote.

Within 90 days of receiving notice from us that shares of our stock have been transferred to the Trust, the Trustee will sell the shares to a person designated by the Trustee, whose ownership of the shares will not violate the above ownership limitations. Upon the sale, the interest of the Charitable Beneficiary in the shares sold will terminate and the Trustee will distribute the net proceeds of the sale to the proposed transferee and to the Charitable Beneficiary as follows. The proposed transferee will receive the lesser of (1) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the transfer or event causing the shares to be held in the Trust (for example, a gift, devise or other similar transaction), the Market Price (as defined in our amended and restated certificate of incorporation) of the shares on the day of the transfer or event causing the shares to be held in the Trust and (2) the price received by the Trustee from the sale or other disposition of the shares. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the Charitable Beneficiary. If, prior to our discovery that shares of our stock have been

transferred to the Trust, the shares are sold by the proposed transferee, then (1) the shares shall be deemed to have been sold on behalf of the Trust and (2) to the extent that the proposed transferee received an amount for the shares that exceeds the amount he was entitled to receive, the excess shall be paid to the Trustee upon demand.

In addition, shares of our stock held in the Trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (1) the price per share in the transaction that resulted in the transfer to the Trust (or, in the case of another event not constituting a transfer, the Market Price at the time of such event) and (2) the Market Price on the date we, or our designee, accept the offer. We will have the right to accept the offer until the Trustee has sold the shares. Upon a sale to us, the interest of the Charitable Beneficiary in the shares sold will terminate and the Trustee will distribute the net proceeds of the sale to the proposed transferee and the Charitable Beneficiary.

All certificates representing shares of our stock will bear a legend referring to the restrictions described above.

Every owner of more than 5% (or such lower percentage as required by the Internal Revenue Code or the Treasury Regulations) of our stock, within 30 days after the end of each taxable year, is required to give us written notice, stating his name and address, the number of shares of each class and series of our stock which he beneficially owns and a description of the manner in which the shares are held. Each such owner shall provide us with such additional information as we may request in order to determine the effect, if any, of his beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each stockholder shall upon demand be required to provide us with such information as we may request in good faith in order to determine our status as a REIT or for other tax or compliance reasons.

These ownership limits could delay, defer or prevent a transaction or a change in control that might involve a premium price for the common stock or otherwise be in the best interest of the stockholders.

Anti-Takeover Effects of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

The following is a summary of certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws that may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock and our preferred stock will be available for future issuance without our stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of our common stock and our preferred stock could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

Delaware Business Combination Statute

We are organized under Delaware law. Some provisions of Delaware law may delay or prevent a transaction which would cause a change in our control.

Our amended and restated certificate of incorporation provides that Section 203 of the Delaware General Corporation Law, an anti-takeover law, will not apply to us. In general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an interested stockholder is a person who, together with affiliates and associates, owns, or within three years prior, did own, 15% or more of voting stock.

Other Provisions of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Certain provisions of our amended and restated certificate of incorporation may make a change in control of Global Signal more difficult to effect. Our amended and restated certificate of incorporation provides for a staggered board of directors consisting of three classes of directors. Directors of each class are chosen for three-year terms upon the expiration of their current terms and each year one class of our directors will be elected by our stockholders. The terms of the first, second and third classes will expire in 2006, 2004 and 2005, respectively. On March 22, 2004, we held our annual stockholders' meeting and all of our class II directors were re-elected and will serve until their term expires in 2007. We believe that classification of our board of directors will help to assure the continuity and stability of our business strategies and policies as determined by our board of directors. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock can elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors. The classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult. At least two annual meetings of stockholders, instead of one, will generally be required to effect a change in a majority of our board of directors. Thus, the classified board provision could increase the likelihood that incumbent directors will retain their positions. The staggered terms of directors may delay, defer or prevent a tender offer or an attempt to change control of us, even though a tender offer or change in control might be in the best interest of our stockholders. In addition, our amended and restated bylaws provide that directors may be removed only for cause with the affirmative vote of 80% of the voting interest of stockholders entitled to vote.

Pursuant to our amended and restated certificate of incorporation, shares or our preferred stock may be issued from time to time, and the board of directors is authorized to determine and alter all rights, preferences, privileges, qualifications, limitations and restrictions without limitation. See "— Preferred Stock." Our amended and restated bylaws also provide that our stockholders (with the exception of the majority stockholder if Fortress and Greenhill collectively own at least 50% of the then outstanding shares) are specifically denied the ability to call a special meeting of the stockholders. Advance notice must be provided by our stockholders to nominate persons for election to our board of directors as well as to propose actions to be taken at an annual meeting.

Limitations on Liability and Indemnification of Directors and Officers

Our amended and restated certificate of incorporation and amended and restated bylaws provide that our directors will not be personally liable to us or our stockholders for monetary damages for breach of a fiduciary duty as a director, except for:

- any breach of the director's duty of loyalty to us or our stockholders;
- intentional misconduct or a knowing violation of law;
- liability under Delaware corporate law for an unlawful payment of dividends or an unlawful stock purchase or redemption of stock; or
- any transaction from which the director derives an improper personal benefit.

Our amended and restated certificate of incorporation allows us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

We have entered into indemnification agreements with certain of our directors and executive officers. These provisions and agreements may have the practical effect in some cases of eliminating our stockholders' ability to collect monetary damages from our directors and executive officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indeminification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company, 59 Maiden Lane, New York, NY 10038.

Listing

Our common stock is listed on the NYSE under the symbol "GSL."

Governing Documents

Our articles of incorporation were filed on October 30, 2002, as amended and restated on March 31, 2004. Our amended and restated bylaws were adopted on March 22, 2004. The life of the corporation is perpetual.

The Operating Partnership Agreement

General

We own substantially all of our assets and conduct our operations through an operating partnership, Global Signal Operating Partnership, L.P., or "Global Signal OP". We formed Global Signal OP in order to facilitate our use of the equity of Global Signal OP as acquisition currency, where appropriate. The operating partnership provides us with the ability to structure acquisitions on a tax-efficient basis through the issuance of limited partnership interests in our operating partnership as consideration for assets acquired, giving sellers the ability to defer some or all of the taxes otherwise payable upon a sale.

We are the special limited partner of Global Signal OP 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. As the managing general partner, Global Signal GP LLC has the exclusive power to manage and conduct the business of Global Signal OP.

The following is a summary of certain provisions in the partnership agreement of Global Signal OP. This summary is qualified by the specific language in the partnership agreement. For more detail, you should refer to the partnership agreement, itself, which is an exhibit to the registration statement of our initial public offering.

Capital Contributions

We transferred the stock of substantially all of our subsidiaries to Global Signal OP. In addition, we will transfer substantially all of the net proceeds of this offering to Global Signal OP as a capital contribution; however, we will be deemed to have made capital contributions in the amount of the gross offering proceeds received from investors. Global Signal OP will be deemed to have simultaneously paid the selling commissions and other expenses associated with this offering. If Global Signal OP requires additional funds at any time in excess of capital contributions made by us or from borrowings, we or Global Signal GP, the managing general partner, may borrow funds from a financial institution or other lender and lend such funds to Global Signal OP on the same terms and conditions as are applicable to the borrowing of such funds. The managing general partner may also cause Global Signal OP to borrow funds from third parties on such terms as the managing general partner determines appropriate. In addition, Global Signal GP, the managing general partner, is authorized to cause Global Signal OP to issue partnership interests for less than fair market value if it concludes in good faith that such issuance is in its best interest and the best interest of Global Signal OP.

Issuances of Additional Partnership Interests

The managing general partner has the ability to cause the operating partnership to issue additional units representing general and limited partnership interests. These additional units may include preferred limited partnership units with terms, provisions and rights that are preferential to those of the common

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units. In addition, the partnership agreement of Global Signal OP provides that we may issue additional shares of our common stock, preferred stock or convertible securities, so long as we contribute the proceeds of such issuance to our operating partnership in exchange for partnership interests or rights, options, warrants or convertible or exchangeable securities of our operating partnership having designations, preferences and other rights, so that the economic interests of our operating partnership's interests issued are substantially similar to the securities that we have issued. Accordingly, in connection with this offering, our operating partnership will issue to us an equivalent amount of common units that have substantially similar rights, preferences and other privileges as the common stock described in "Description of Capital Stock — Common Stock."

Operations

The partnership agreement of Global Signal OP provides that Global Signal OP is to be operated in a manner that enables us to satisfy the requirements for being classified as a REIT for tax purposes.

The partnership agreement provides that Global Signal OP will distribute cash flow from operations to the limited partners of Global Signal OP in accordance with their relative percentage interests on at least a quarterly basis in amounts determined by the managing general partner such that a holder of one unit of limited partnership interest in Global Signal OP will receive the same amount of annual cash flow distributions from Global Signal OP as the amount of annual dividends paid to the holder of one share of our common stock. Remaining cash from operations will be distributed to us as the special limited partner to enable us to make dividend distributions to our stockholders.

Similarly, the partnership agreement of Global Signal OP provides that taxable income will be allocated to the limited partners of Global Signal OP in accordance with their relative percentage interests such that a holder of one unit of limited partnership interest in Global Signal OP will be allocated taxable income for each taxable year in an amount equal to the amount of taxable income to be recognized by a holder of one share of our common stock, subject to compliance with the provisions of Sections 704(b) and 704(c) of the Internal Revenue Code and corresponding Treasury Regulations. Losses, if any, will generally be allocated among the partners in accordance with their respective percentage interests in Global Signal OP.

Upon the liquidation of Global Signal OP after payment of debts and obligations, any remaining assets of Global Signal OP will be distributed to partners with positive capital accounts in accordance with their respective positive capital account balances.

Exchange Rights

The limited partners of Global Signal OP 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 equal to the value of an equivalent number of shares of our common stock, or, at our option, one share of our common stock for each limited partnership unit redeemed. We will not be able to exercise our right to issue shares of our common stock, however, if such issuance would cause a violation of the ownership limit provisions in our amended and restated certificate of incorporation.

We and our wholly owned subsidiary, Global Signal GP LLC, the managing general partner, cannot (1) voluntarily withdraw as the managing general partner of Global Signal OP or as the special limited partner of Global Signal OP, (2) engage in any merger, consolidation or other business combination, or (3) transfer the managing general partnership interest or special limited partnership interest in Global Signal OP (except to a wholly owned subsidiary), unless the transaction in which such withdrawal, business combination or transfer occurs results in the limited partners receiving or having the right to receive an amount of cash, securities or other property equal in value to the amount they would have received if they had exercised their exchange rights immediately prior to such transaction or unless, in the case of a merger or other business combination, the successor entity contributes substantially all of its assets to Global Signal OP in return for an interest in Global Signal OP and agrees to assume all obligations of the managing general partner of Global Signal OP and the special limited partner of Global Signal OP. We expect that we may also enter into a business combination or we may transfer the managing

general partnership interest or the special limited partnership interest upon the receipt of the consent of a majority-in-interest of the limited partners of Global Signal OP. With certain exceptions, the limited partners other than the special limited partner, prior to the first anniversary of this agreement or of becoming a holder of partnership units, may not transfer their interests in Global Signal OP, in whole or in part, without the written consent of the managing general partner. Subsequently, the limited partners may transfer such interest only to an accredited investor as defined in Rule 501 of the Securities Act of 1933, as amended, and subject to certain other conditions as described in the agreement, including the special limited partner's right of first refusal. The special limited partner has the right to purchase the partnership units within ten days of receiving notice of the proposed transfer.

Amendments

The partnership agreement of Global Signal OP provides that the managing general partner of our operating partnership may not amend the partnership agreement without the consent of the holders of the majority of the limited partnership interest, except that without the consent of any limited partner the managing general partner may amend the agreement to:

- add to the obligations or surrender the rights, of the managing general partner under the agreement for the benefit of the limited partners,
- reflect the issuance of additional partnership units or the admission, substitution, termination or withdrawal of partners in accordance with the partnership agreement,
- reflect inconsequential changes, cure any ambiguity, correct or supplement any provision not inconsistent with law or another provision of the partnership agreement, or make other changes concerning matters under the agreement not otherwise inconsistent with the law or the agreement,
- satisfy requirements or guidelines under federal or state law,
- reflect changes that are reasonably necessary for us, as special limited partner, to satisfy the REIT requirements or reflect the transfer of partnership interests from us, as special limited partner, to a subsidiary of ours,
- modify either or both of the manner in which items of net income or net loss are allocated and the manner in which capital accounts are adjusted, computed or maintained, but only to the extent set forth in the operating partnership agreement in order to comply with the requirements of the Internal Revenue Code and the Treasury Regulations promulgated thereunder,
- issue additional partnership interests in the operating partnership, or
- modify the partnership in any way that is reasonably necessary for our business or operations or those of the partnership that does not violate the immediately succeeding paragraph.

The partnership agreement of Global Signal OP provides that the managing general partner may not, without the consent of each limited partner adversely affected, make any amendment to the operating partnership agreement that would (1) convert a limited partnership interest into a managing general partner interest or modify the limited liability of a limited partner, (2) alter the distribution rights or the allocations described in the agreement, or (3) modify the redemption rights.

Indemnification

The partnership agreement of Global Signal OP provides that neither we, as special limited partner, nor Global Signal GP LLC, as managing general partner, nor any of our directors and officers or the directors and officers of Global Signal GP are liable to the partnership or to any of its partners as a result of errors in judgment or mistakes of fact or law or of any act or omission, if we, Global Signal GP, our director or officer or a director or officer of Global Signal GP act in good faith.

In addition, the partnership agreement requires our operating partnership to indemnify and hold us harmless, as special limited partner, and our directors, officers and any other person we designate, and

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Global Signal GP LLC, as managing general partner, and its directors, officers and any other person it designates, from and against any and all claims arising from operations of the operating partnership in which any such indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that:

- indemnitee acted with willful misconduct or a knowing violation of the law, or
- the indemnitee actually received an improper personal benefit in violation or breach of any provision of the Partnership Agreement,

The partnership agreement provides that no indemnitee may subject any partner of our operating partnership to personal liability with respect to the indemnification obligation.

Term

Our operating partnership will continue in full force and effect indefinitely.

Tax Matters

Global Signal GP, as managing general partner, is the tax matters partner of our operating partnership, and Global Signal GP has the authority to make tax elections under the Internal Revenue Code on behalf of the partnership.

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DESCRIPTION OF CERTAIN INDEBTEDNESS

The February 2004 Mortgage Loan

General. Our wholly owned and largest operating subsidiary, Pinnacle Towers LLC, and its 13 direct and indirect subsidiaries are borrowers under a $418.0 million mortgage loan made on February 5, 2004. On that date, the February 2004 mortgage loan was securitized, and is held by Global Signal Trust I, a New York common law trust, which issued pass-through certificates representing in the aggregate 100% of the beneficial interest in the February 2004 mortgage loan. The pass-through certificates are held by various investors. Pinnacle Towers LLC and its subsidiaries are jointly and severally liable for repayment of the February 2004 mortgage loan.

Security for the Mortgage Loan. The February 2004 mortgage loan is secured by, among other things, (1) mortgage liens on the borrowers' interests (fee, leasehold or easement) in more than 1,100 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 capital stock of Pinnacle Towers LLC from its direct parent, Global Signal Holdings II LLC).

Interest Rate. 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%.

Payment terms. 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:

- all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to elsewhere in this prospectus as excess cash flow, will be applied to repayment of principal of the February 2004 mortgage loan instead of being released to the borrowers;
- additional interest will begin to accrue (but will not be payable until maturity or pay-off) on the principal balance of the February 2004 mortgage loan at a rate per annum equal to the greater of 5% and a specified reset rate; and
- the management of the borrowers' communications sites may, at the election of the lender, be transferred from Global Signal Services LLC to an unrelated third party.

Debt Service Coverage Test/Cash Trap. 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 the borrower. The funds in the reserve account will not be released to the borrower 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 will be applied to prepay the February 2004 mortgage loan. As of September 30, 2004, our debt service coverage ratio was 3.47.

Voluntary Prepayment. The borrowers may not prepay the February 2004 mortgage loan in whole or in part at any time prior to 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.

Special Purpose Entities. In connection with the February 2004 mortgage loan, the organizational documents of the borrowers were amended to limit their purposes and to add provisions consistent with rating agency securitization criteria for special purpose entities, including the requirement that the borrowers maintain at least two independent directors.

Certain Covenants. 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 pass-through certificates that none of the ratings will be adversely affected.

The December 2004 Mortgage Loan

General. 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. On this 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. The pass-through certificates are held by various investors. Pinnacle Towers Acquisition Holdings LLC and its subsidiaries are jointly and severally liable for repayment of the December 2004 mortgage loan.

Uses. The proceeds from 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 reserve account to be used to acquire additional wireless communications sites. On December 7, 2004, the borrowers deposited approximately $120.7 million (including $112.2 million of the proceeds from the December 2004 mortgage loan) into a reserve account referred to as the site acquisition reserve. The borrowers are permitted to use amounts on deposit in the site acquisition reserve to acquire additional wireless communications sites during a period not to exceed six months following the closing date (referred to as the site acquisition period), subject to the satisfaction of certain conditions under the loan documents, including:

- after giving effect to the acquisition, the yield on the sites owned, leased or managed by the borrowers will be not less than 7.65%;
- the borrowers execute mortgages on all new sites that are capable of being encumbered by mortgages; and
- for all properties acquired pursuant to purchase agreements executed after November 12, 2004, after giving effect to the acquisition, at least 80% of the revenue generated by the new sites (taken as a whole) comes from telephony tenants and the average remaining term of the ground leases for the new sites (taken as a whole) is equal to or greater than 15 years.

For purposes of the foregoing, "yield" means the quotient of (i) the net operating income for all sites (including any new sites acquired pursuant to purchase agreements executed after November 12, 2004 that meet certain conditions specified in the loan documents) divided by (ii) the sum of the total acquisition costs incurred by the borrowers for the sites owned, leased or managed by them as of the closing date plus all amounts that (giving effect to the acquisition) will have been withdrawn from the site acquisition reserve to fund acquisitions; provided that in calculating yield, operating revenues from non-telephony sources will be limited to 25% of the aggregate operating revenues used in calculating net operating income.

If any funds remain in the site acquisition reserve at the end of this period, such amounts will be applied to the repayment of principal of the December 2004 mortgage loan instead of being released to the borrowers.

Security for the Mortgage Loan. 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

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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 membership interests of Pinnacle Towers Acquisition Holdings LLC from its direct parent, Global Signal Holdings III LLC).

Interest Rate. 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 7, 2004, the weighted average interest rate on the various tranches was approximately 4.74%.

Payment Terms. The borrowers are required to make monthly payments of interest on the December 2004 mortgage loan. Subject to certain limited exceptions described below, no payments of principal will be required to be made prior to the monthly payment date in December 2009, which is the final maturity date.

Debt Service Coverage Test/Cash Trap. If the debt service coverage ratio, defined as the net cash flow for the sites for the immediately preceding twelve calendar month period (with certain adjustments for recently acquired 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 cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as excess cash flow, will be deposited into a reserve account instead of being released to the borrowers. The funds in the reserve account will not be released to the borrowers 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 an "amortization period" will commence and all funds on deposit in the reserve account will be applied to prepay the December 2004 mortgage loan. As of December 7, 2004, the pro forma debt service coverage ratio was 2.20.

Voluntary Prepayment. The borrowers may not prepay the December 2004 mortgage loan in whole or in part at any time prior to the second anniversary of the closing date, except in limited circumstances (such as the occurrence of certain casualty and condemnation events relating to the wireless 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 final maturity date, no prepayment consideration is due.

Special Purpose Entities. In connection with the December 2004 mortgage loan, the organizational documents of the borrowers were amended to limit their purposes and to add provisions consistent with rating agency securitization criteria for special purpose entities, including the requirement that the borrowers maintain independent directors.

Certain Covenants. 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 at 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 Towers Acquisition Holdings LLC ("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 Towers Acquisition Holdings LLC. We repaid all outstanding debt under the credit facility with proceeds from our initial public offering. As of September 30, 2004, there were no borrowings outstanding under the credit facility and $166.6 million remained available to fund future tower acquisitions. 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. 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 as defined in the agreement of all towers owned, leased or managed by Pinnacle Acquisition or its subsidiaries. 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 $685,000,000 and (2) permit our leverage ratio, defined as the ratio of debt for borrowed money, to consolidated EBITDA as defined in the agreement to be greater than 6.0 to 1.0. The credit facility required a commitment fee of $1.25 million, which has been paid. Our credit facility was repaid with a portion of the net proceeds of the December 2004 mortgage loan and was terminated.

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.

SHARES ELIGIBLE FOR FUTURE SALE

General

We cannot predict the effect, if any, that sales of shares or the availability of shares for sale will have on the market price of our common stock prevailing from time to time. Future sales in the public markets of substantial amounts of common stock could adversely affect the market prices prevailing from time to time for our common stock. It could also impair our ability to raise capital through future sales of equity securities.

Immediately after completion of this offering, we will have 54,094,581 shares of common stock outstanding, assuming no exercise of the underwriters' overallotment option. All of the 2,900,000 shares of common stock sold in this offering will be freely transferable without restriction or further registration under the Securities Act of 1933, as amended, except for any of the shares that are acquired by affiliates, as that term is defined in Rule 144 under the Securities Act.

Common Stock Subject to Options and Warrants

As of December 17, 2004, options to purchase 3,812,584 shares of common stock were issued and outstanding, 1,363,849 of which have vested, and warrants to purchase 472,224 shares of common stock were issued and outstanding. Included in the options above, FRIT PINN LLC, an affiliate of Fortress, and Greenhill, or affiliates of such entities, hold fully vested options to purchase an aggregate of 805,000 shares of common stock with an exercise price of $18.00.

Eligibility for Resale

Substantially all of our shares of common stock outstanding prior to this offering are freely tradeable or currently eligible for resale pursuant to Rule 144, subject to the volume and other limitations applicable to "affiliates" under Rule 144 and to the 90-day lock-up agreements described in "— Lock-up" below.

Prior to our initial public offering in June 2004, substantially all of our outstanding shares of common stock were issued in connection with our reorganization. In connection with our reorganization, we issued 19,231,028 shares of common stock, including 757,626 shares of common stock issued upon the exercise of warrants, pursuant to an exemption from registration under the Securities Act and Section 1145 of the Bankruptcy Code, which are freely transferable except for 16,834,850 shares held by our affiliates. The remaining 22,526,598 shares of our common stock issued in connection with our reorganization were issued pursuant to an exemption from registration under the

Securities Act by virtue of the exemption provided under Section 4(2) of the Securities Act and, accordingly, are restricted securities, as that term is defined in Rule 144 under the Securities Act.

Those shares that are restricted securities or that are held by our affiliates may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemptions contained in Rule 144, which is summarized below. On the first day following the consummation of this offering, our affiliates will hold 39,687,074 shares of our outstanding common stock, including 192,924 shares of our common stock held by University of Minnesota Foundation which acquired the shares from Fortress in November 2002, of which 22,323,674 shares are restricted securities and 17,363,400 shares are not restricted. Accordingly, 39,879,998 shares of our common stock are held by our affiliates or are restricted securities and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemptions contained in Rule 144, as described below.

The 39,687,074 shares of our common stock held by affiliates are currently eligible for resale pursuant to Rule 144, subject only to the volume and other limitations for affiliates under Rule 144 and the 90-day lock-up agreements described in "Lock-up" below.

Rule 144 Limitations

In general, Rule 144 provides that a person may sell within any three month period a number of shares that does not exceed the greater of:

- 1% of the total number of shares of common stock then outstanding; or
- the average weekly trading volume of the common stock on the New York Stock Exchange during the four calendar weeks preceding the filing of notice on Form 144 with respect to the sale,

subject to a requirement that any "restricted" shares (which do not include any shares issued in our reorganization) have been beneficially owned for at least one year, including the holding period of any prior owner which was not an affiliate.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the 90 days preceding a sale is entitled to sell the shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144 subject to a requirement that any "restricted" shares (which do not include any shares issued in our reorganization) have been beneficially owned for at least two years, including the holding period of any prior owner which was not an affiliate.

Lock-ups

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 Holdings described in the following paragraph, 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 90-day restricted period described above is subject to extension such that, in the event that either (1) during the last 17 days of the 90-day restricted period, we issue an earnings release or material news or a material event relating to us occurs or (2) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period, the "lock-up" restrictions described above, subject to limited exceptions, will continue to apply until the expiration of the 18-day period beginning on the earnings release or the occurrence of the material news or material event.

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 19,162,248 pledged shares in the event of a default.

Rule 701

Under Rule 701, shares of our common stock acquired upon the exercise of currently outstanding options or pursuant to other rights granted under our Omnibus Stock Incentive Plan may be resold, to the extent not subject to lock-up agreements, (1) by persons other than affiliates, subject only to the manner-of-sale provisions of Rule 144, and (2) by affiliates, subject to the manner-of-sale, current public information, and filing requirements of Rule 144, in each case, without compliance with the one-year holding period requirement of Rule 144.

Amended and Restated Investor Agreement

General

We entered into the Amended and Restated Investor Agreement, dated March 31, 2004, with Fortress Pinnacle Acquisition LLC, Greenhill Capital Partners L.P. and its related partnerships, Abrams

Capital Partners II, L.P. and certain of its related partnerships and their respective permitted and third party transferees to the extent that any investor collectively holds 5% of our issued and outstanding common stock (each a "Stockholder") in which we granted certain registration rights to the Stockholders and their affiliates. As of December 17, 2004, 39,119,538 shares of common stock held by Fortress Pinnacle Acquisition LLC, Greenhill Capital Partners L.P. and its related partnerships and Abrams Capital Partners II, L.P. and certain of its related partnerships are eligible for registration pursuant to the terms of the agreement and subject to the completion of the lock-up period described above. In addition, the 805,000 shares of common stock issued to FRIT PINN LLC, an affiliate of Fortress, and Greenhill, or affiliates of such entities upon exercise of the options held by them are also eligible for registration on the same terms. See "Certain Relationships and Related Party Transactions — Amended and Restated Investor Agreement" for a summary of material provisions of the Amended and Restated Investor Agreement.

Pledge Shelf Registration Statement

See "Certain Relationships and Related Party Transactions — Pledge Shelf Registration Statement."

FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material federal income tax consequences relating to the acquisition, holding, and disposition of our common stock. For purposes of this section under the heading "Federal Income Tax Considerations," references to "Global Signal," "we," "our," and "us" mean only Global Signal Inc. and its predecessor, Pinnacle Holdings Inc., and not its subsidiaries, except as otherwise indicated. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated by the U.S. Treasury Department, rulings and other administrative pronouncements issued by the Internal Revenue Service (the "IRS"), and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. No advance ruling has been or will be sought from the IRS regarding any matter discussed herein. This summary also assumes that we and our subsidiaries and affiliated entities will operate in accordance with our applicable organizational documents or partnership agreements. This discussion is for your general information only and is not tax advice. It does not purport to address all aspects of federal income taxation that may be relevant to you in light of your particular investment circumstances, or if you are a type of investor subject to special tax rules, such as:

- an insurance company;
- a financial institution or broker dealer;
- a regulated investment company;
- a holder who received our stock through the exercise of employee stock options or otherwise as compensation;
- a person holding our stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security," or other integrated investment;

and, except to the extent discussed below:

- a tax-exempt organization; and
- a foreign investor.

This summary assumes that you will hold our common stock as a capital asset, which generally means as property held for investment.

The federal income tax treatment of holders of our common stock depends in some instances on determinations of fact and interpretations of complex provisions of federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences of holding our common stock to any particular stockholder will depend on the stockholder's particular tax circumstances. You are urged to consult your tax advisor regarding the specific tax consequences (including the federal, state, local, and foreign tax consequences) to you in light of your particular investment or tax circumstances of acquiring, holding, exchanging, or otherwise disposing of our common stock.

Taxation of Global Signal

We elected to be taxed as a REIT, commencing with our initial taxable year ended December 31, 1995. We believe that we were organized and have operated in such a manner as to qualify for taxation as a REIT, and intend to continue to operate in such a manner.

The law firm of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps") has acted as our special tax counsel in connection with this public offering of Global Signal common stock. We expect to receive an opinion of Skadden, Arps to the effect that we are organized in conformity with the requirements for qualification as a REIT under the Code, and that our actual method of operation has enabled, and our proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT. It must be emphasized that the opinion of Skadden, Arps will be based on various assumptions relating to our organization and operation, and is conditioned upon representations and covenants made by our management regarding our organization, assets, and the past, present, and future

conduct of our business operations. While we intend to operate so that we will qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Skadden, Arps or us that we will so qualify for any particular year. 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 the applicable law. You should be aware that opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions.

Qualification and taxation as a REIT depends on our ability to meet, on a continuing basis, through actual operating results, asset ownership, distribution levels, and diversity of stock ownership, various qualification requirements imposed on REITs by the Code, compliance with which will not be reviewed by tax counsel. In addition, our ability to qualify as a REIT depends in part on the operating results, organizational structure, and entity classification for federal income tax purposes of certain affiliated entities, the status of which may not be reviewed by tax counsel. Our ability to qualify as a REIT also requires that we satisfy certain asset tests, some of which depend upon the fair market values of assets directly or indirectly owned by us. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year satisfy such requirements for qualification and taxation as a REIT.

Taxation of REITs in General

As indicated above, qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "— Requirements for Qualification — General." While we intend to operate so that we qualify as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See "— Failure to Qualify."

Provided that we qualify as a REIT, we will generally be entitled to a deduction for dividends that we pay and therefore will not be subject to federal corporate income tax on our net income that is currently distributed to our stockholders. This deduction for dividends paid substantially eliminates the "double taxation" of corporate income (i.e., taxation at both the corporate and stockholder levels) that generally results from an investment in a corporation. Thus, income generated by a REIT and distributed to its stockholders generally is taxed only at the stockholder level upon the distribution of that income.

The Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "2003 Act") reduced the rate at which individual stockholders are taxed on corporate dividends from a maximum of 38.6% (as ordinary income) to a maximum of 15% (the same as long-term capital gains) for the 2003 through 2008 tax years. With limited exceptions, however, dividends received by stockholders from us, or from other entities that are taxed as REITs, are generally not eligible for the reduced rates, and will continue to be taxed at rates applicable to ordinary income, which, pursuant to the 2003 Act, will be as high as 35% through 2010. See "Taxation of Stockholders — Taxation of Taxable Domestic Stockholders — Distributions."

Net operating losses, foreign tax credits and other tax attributes of a REIT generally do not pass through to the stockholders of the REIT, subject to special rules for certain items such as capital gains recognized by REITs. See "Taxation of Stockholders."

If we qualify as a REIT, we will nonetheless be subject to federal tax in the following circumstances:

- We will be taxed at regular corporate rates on any undistributed income, including undistributed net capital gains.
- We may be subject to the "alternative minimum tax" on our items of tax preference, including any deductions of net operating losses.

- If we earn net income from prohibited transactions, which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a "prohibited transactions" 100% tax. We intend to conduct our operations so that no asset owned by us or our pass-through subsidiaries will be held for sale to customers, and that a sale of any such asset will not be in our ordinary course of our business. Whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends, however, on the particular facts and circumstances. No assurance can be given that any property in which we hold a direct or indirect interest will not be treated as property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent such treatment.
- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may thereby avoid the 100% prohibited transactions tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%). We do not anticipate receiving any income from foreclosure property.
- If we should fail to satisfy the 75% gross income test or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because other requirements are met, we will be subject to a 100% tax on an amount based on the magnitude of the failure, adjusted to reflect the profit margin associated with our gross income.
- Similarly, pursuant to provisions in recently enacted legislation that take effect in 2005, if we should fail to satisfy the asset or other requirements applicable to REITs, as described below, yet nonetheless maintain our qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, we may be subject to an excise tax. In that case, the amount of the tax will be at least $50,000 per failure, and, in the case of certain asset

test failures, will be determined as the amount of net income generated by the assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds $50,000 per failure.

- If we should fail to distribute during each calendar year at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain net income for such year, and (3) any undistributed taxable income from prior periods, we would be subject to a 4% excise tax on the excess of the required distribution over the sum of (a) the amounts actually distributed, plus (b) retained amounts on which income tax is paid at the corporate level.
- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's stockholders, as described below in "— Requirements for Qualification — General."
- A 100% tax may be imposed on some items of income and expense that are directly or constructively paid between a REIT and a taxable REIT subsidiary (as described below) if and to the extent that the IRS successfully adjusts the reported amounts of these items.
- If we acquire appreciated assets from a corporation that is not a REIT (i.e., a corporation taxable under subchapter C of the Code) in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, we may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the ten-year period following their acquisition from the subchapter C corporation.
- Certain of our subsidiaries are subchapter C corporations, the earnings of which could be subject to federal corporate income tax.

In addition, we and our subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, and other taxes on their assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification — General

The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;
(2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
(3) that would be taxable as a domestic corporation but for the special Code provisions applicable to REITs;
(4) that is neither a financial institution nor an insurance company subject to specific provisions of the Code;
(5) the beneficial ownership of which is held by 100 or more persons;
(6) in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Code to include specified tax-exempt entities); and
(7) which meets other tests described below, including with respect to the nature of its income and assets.

The Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Our amended and restated certificate of incorporation provides restrictions regarding transfers of its shares, which are intended to assist us in satisfying the share ownership requirements described in conditions (5) and (6) above.

To monitor compliance with the share ownership requirements, we are generally required to maintain records regarding the actual ownership of our shares. To do so, we must demand written statements each year from the record holders of significant percentages of our stock in which the record holders are to disclose the actual owners of the shares, i.e., the persons required to include in gross income the dividends paid by us. A list of those persons failing or refusing to comply with this demand must be maintained as part of our records. Failure to comply with these record keeping requirements could subject us to monetary penalties. A stockholder that fails or refuses to comply with the demand is required by Treasury regulations to submit a statement with its tax return disclosing the actual ownership of the shares and other information.

In addition, a corporation generally may not elect to become a REIT unless its taxable year is the calendar year. We satisfy this requirement.

The Code provides relief from violations of the REIT gross income requirements, as described below under "— Income Tests," in cases where a violation is due to reasonable cause and not willful neglect, and other requirements are met, including the payment of a penalty tax that is based upon the magnitude of the violation. In addition, the recently enacted American Jobs Creation Act of 2004 (the "2004 Act") includes provisions that extend similar relief in the case of certain violations of the REIT asset requirements (see "— Asset Tests" below) and other REIT requirements, again provided that the violation is due to reasonable cause and not willful neglect, and other conditions are met, including the payment of a penalty tax. These provisions of the 2004 Act become effective beginning with the 2005 tax year. If we fail to satisfy any of the various REIT requirements, there can be no assurance that these relief provisions would be available to enable us to maintain our qualification as a REIT, and, if available, the amount of any resultant penalty tax could be substantial.

Effect of Subsidiary Entities

Ownership of Partnership Interests. In the case of a REIT that is a partner in a partnership, such as our operating partnership, Treasury regulations provide that the REIT is deemed to own its proportionate share of the partnership's assets, and to earn its proportionate share of the partnership's income for purposes of the asset and gross income tests applicable to REITs as described below. Similarly, the assets

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and gross income of the partnership are deemed to retain the same character in the hands of the REIT. Thus, our proportionate share of the assets, liabilities, and items of income of our future investment in the operating partnership will be treated as our assets, liabilities, and items of income for purposes of applying the REIT requirements described below. A summary of certain rules governing the federal income taxation of partnerships and their partners is provided below in "Tax Aspects of Investments in an Operating Partnership."

Disregarded Subsidiaries. If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," that subsidiary is disregarded for federal income tax purposes, and all assets, liabilities, and items of income, deduction, and credit of the subsidiary are treated as assets, liabilities, and items of income, deduction, and credit of the REIT itself, including for purposes of the gross income and asset tests applicable to REITs as summarized below. A qualified REIT subsidiary is any corporation, other than a "taxable REIT subsidiary" as described below, that is wholly owned by a REIT, or by one or more disregarded subsidiaries of the REIT, or by a combination of the two. Other entities that are wholly owned by a REIT, including single member limited liability companies, are also generally disregarded as separate entities for federal income tax purposes, including for purposes of the REIT income and asset tests. Disregarded subsidiaries, along with partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary of ours ceases to be wholly owned — for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours — the subsidiary's separate existence would no longer be disregarded for federal income tax purposes. Instead, it would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income requirements applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the securities of another corporation. See "— Asset Tests" and "— Income Tests."

Taxable Subsidiaries. A REIT, in general, may jointly elect with subsidiary corporations, whether or not wholly owned, to treat the subsidiary corporation as a taxable REIT subsidiary ("TRS") of the REIT. The separate existence of a TRS or other taxable corporation, unlike a disregarded subsidiary as discussed above, is not ignored for federal income tax purposes. Accordingly, such an entity would generally be subject to corporate income tax on its earnings, which may reduce the cash flow generated by us and our subsidiaries in the aggregate, and our ability to make distributions to our stockholders.

A parent REIT is not treated as holding the assets of a taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by the subsidiary is an asset in the hands of the parent REIT, and the REIT recognizes as income, the dividends, if any, that it receives from the subsidiary. This treatment can affect the income and asset test calculations that apply to the REIT, as described below. Because a parent REIT does not include the assets and income of such subsidiary corporations in determining the parent's compliance with the REIT requirements, such entities may be used by the parent REIT to indirectly undertake activities that the REIT rules might otherwise preclude it from doing directly or through pass-through subsidiaries (for example, activities that give rise to certain categories of income such as management fees or foreign currency gains). As noted above, we have 5 TRS entities, Global Signal REIT Savings TRS, Inc., Pinnacle Towers IV Inc., Pinnacle Towers V Inc., Shaffer and Associates, Inc., and Sierra Towers, Inc.

Income Tests

In order to maintain our qualification as a REIT, we annually must satisfy two gross income requirements. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions," must be derived from investments relating to real property or mortgages on real property, including "rents from real property," dividends received from other REITs, interest income derived from mortgage loans secured by real property, and gains from the sale of real estate assets, as well as income from some kinds of temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions, must be derived from some combination of such income from investments in real property (i.e., income that qualifies under the 75% income test described above), as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property.

Rents received by us will qualify as "rents from real property" in satisfying the gross income requirements described above, only if several conditions, including the following, are met. If rent is partly attributable to personal property leased in connection with a lease of real property, the portion of the total rent that is attributable to the personal property will not qualify as "rents from real property" unless it constitutes 15% or less of the total rent received under the lease. We have reviewed our properties and have determined that rents attributable to personal property do not exceed 15% of the total rent with respect to any particular lease. Due to the specialized nature of our properties, however, there can be no assurance that the IRS will not assert that rent attributable to personal property with respect to a particular lease is greater than 15% of the total rent with respect to such lease. If the amount of any such non-qualifying income, together with other non-qualifying income, exceeds 5% of our taxable income, we may fail to qualify as a REIT. Moreover, for rents received to qualify as "rents from real property," the REIT generally must not operate or manage the property or furnish or render services to the tenants of such property, other than through an "independent contractor" from which the REIT derives no revenues. We and our affiliates are permitted, however, to perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered rendered to the occupant of the property. In addition, we and our affiliates may directly or indirectly provide non-customary services to tenants of our properties without disqualifying all of the rent from the property if the payment for such services does not exceed 1% of the total gross income from the property. For purposes of this test, the income received from such non-customary services is deemed to be at least 150% of the direct cost of providing the services. Furthermore, we are generally permitted to provide services to tenants or others through a TRS without disqualifying the rental income received from tenants for purposes of the REIT income requirements. In addition, we generally may not, and will not, charge rent that is based in whole or in part on the income or profits of any person, except for rents that are based on a percentage of the tenant's gross receipts or sales. Also, rental income will qualify as rents from real property only to the extent that we do not directly or constructively hold a 10% or greater interest, as measured by vote or value, in the tenant's equity.

We may indirectly receive distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries. These distributions will be classified as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not under the 75% gross income test. Any dividends received by us from a REIT will be qualifying income in our hands for purposes of both the 95% and 75% income tests.

Any income or gain we or our pass-through subsidiaries derive from instruments that hedge certain risks, such as the risk of changes in interest rates, will not be treated as non-qualifying income for purposes of the 95% gross income test, provided that specified requirements are met, but generally will constitute non-qualifying income for purposes of the 75% gross income test. Such requirements include that the instrument hedges risks associated with indebtedness issued or to be issued by us or our pass-through subsidiaries incurred to acquire or carry "real estate assets" (as described below under "— Asset Tests"), and, effective beginning in 2005, the instrument is properly identified as a hedge, along with the risk that it hedges, within prescribed time periods.

We believe that substantially all of our gross income will be treated for purposes of the REIT gross income tests as rents from real property (i.e. rents received by us from wireless providers in respect of leases that entitle such providers to mount transmission equipment on such towers). On July 18, 2000 the IRS issued a private letter ruling to one of our non-wholly owned corporate subsidiaries in which we now own a 100% interest. In that ruling, the IRS concluded that the entity's lease and license interests in certain rooftops constituted real estate assets for purposes of the REIT assets tests as described below, and that the income received by the entity in respect of subleases of tower space mounted on those rooftops represented rents from real property for purposes of the REIT gross income tests. It should be noted that this private letter ruling may only be relied upon by the entity to which it was issued and is not binding on the IRS as to the tax treatment of Global Signal or any other subsidiary of ours. Nonetheless, private letter rulings often reflect the current thinking of the IRS. We do not intend to seek an IRS ruling or opinion of counsel concerning the treatment of our tower lease income for purposes of the REIT income tests.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify as a REIT for the year if we are entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if our failure to meet these tests was due to reasonable cause and not due to willful neglect, we attach to our tax return a schedule of the sources of our income, and, with respect to our taxable years beginning before 2005, any incorrect information on the schedule was not due to fraud with intent to evade tax. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances involving us, we will not qualify as a REIT. As discussed above under "— Taxation of REITs in General," even where these relief provisions apply, a tax would be imposed based upon the amount by which we fail to satisfy the particular gross income test.

Asset Tests

We, at the close of each calendar quarter, must also satisfy four tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, the term "real estate" assets includes interests in real property, such as land, buildings, leasehold interests in real property, stock of other corporations that qualify as REITs, and some kinds of mortgage-backed securities and mortgage loans. Securities that do not qualify for purposes of this 75% test are subject to the additional asset tests described below, while securities that do qualify for purposes of the 75% asset test are generally not subject to the additional asset tests.

Second, the value of any one issuer's securities owned by us may not exceed 5% of the value of our total assets.

Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 5% and 10% asset tests do not apply to securities of TRSs and qualified REIT subsidiaries, and for taxable years begining prior to December 31, 2000, the 10% value test does not apply to "straight debt" having specified characteristics.

Fourth, the aggregate value of all securities of TRSs held by a REIT may not exceed 20% of the value of the REIT's total assets.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests, a REIT is treated as owning its share of the underlying assets of a subsidiary partnership, if a REIT holds indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests, unless it is a qualifying mortgage asset, satisfies the rules for "straight debt," or is sufficiently small so as not to otherwise cause an asset test violation. Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, non-mortgage debt held by us that is issued by another REIT may not so qualify.

The 2004 Act contains a number of provisions applicable to REITs, including relief provisions that make it easier for REITs to satisfy the asset requirements, or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. These provisions are generally effective beginning with the 2005 tax year, except as otherwise noted below.

One such provision allows a REIT which fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (a) it provides the IRS with a description of each asset causing the failure, (b) the failure is due to reasonable cause and not willful neglect, (c) the REIT pays a tax equal to the greater of (i) $50,000 per failure, and (ii) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%), and (d) the REIT either disposes of the assets causing the failure within 6 months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

A second relief provision contained in the 2004 Act applies to de minimis violations of the 10% and 5% asset tests. A REIT may maintain its qualification despite a violation of such requirements if (a) the

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value of the assets causing the violation do not exceed the lesser of 1% of the REIT's total assets, and $10,000,000, and (b) the REIT either disposes of the assets causing the failure within 6 months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

The 2004 Act also provides that certain securities will not cause a violation of the 10% value test described above. Such securities include instruments that constitute "straight debt," which now has an expanded definition and includes securities having certain contingency features. A newly enacted restriction, however, precludes a security from qualifying as "straight debt" where a REIT (or a controlled taxable REIT subsidiary of the REIT) owns other securities of the issuer of that security which do not qualify as straight debt, unless the value of those other securities constitute, in the aggregate, 1% or less of the total value of that issuer's outstanding securities. In addition to straight debt, the 2004 Act provides that certain other securities will not violate the 10% value test. Such securities include (a) any loan made to an individual or an estate, (b) certain rental agreements in which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT), (c) any obligation to pay rents from real property, (d) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (e) any security issued by another REIT, and (f) any debt instrument issued by a partnership if the partnership's income is of a nature that it would satisfy the 75% gross income test described above under " — Income Tests." The 2004 Act also provides that in applying the 10% value test, a debt security issued by a partnership is not taken into account to the extent, if any, of the REIT's proportionate equity interest in that partnership. Each of the changes described in this paragraph that were made by the 2004 Act have retroactive effect beginning with the 2001 tax year.

We believe that our holdings of assets comply, and will continue to comply, with the foregoing REIT asset requirements, including the provisions as modified by the 2004 Act, and we intend to monitor compliance on an ongoing basis. No independent appraisals have been obtained, however, to support our conclusions as to the value of our total assets, or the value of any particular security or securities. The IRS has ruled in a published revenue ruling that transmitting and receiving communications towers similar to those currently owned by us and which are built on pilings or foundations similar to those upon which our towers are built, as well as ancillary buildings and heating and air conditioning systems, constitute inherently permanent structures and are therefore regarded as real estate assets for purposes of the REIT asset tests. In addition, on July 18, 2000, the IRS issued a private letter ruling to one of our then non-wholly owned corporate subsidiaries in which we now own a 100 percent interest. In that ruling, the IRS concluded that the entity's lease and license interests in certain rooftops constituted real estate assets for purposes of the REIT assets tests and that the income received by the entity in respect of subleases of tower space mounted on those rooftops represented rents from real property for purposes of the REIT gross income tests. It should be noted that this private letter ruling may only be relied upon by the entity to which it was issued and is not binding on the IRS as to our tax treatment or any other subsidiary of ours. Nonetheless, private letter rulings often reflect the current thinking of the IRS. We do not intend to seek an IRS ruling or an opinion of counsel as to the classification of our rooftop leases or our towers for purposes of the REIT asset tests. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers cause a violation of the REIT asset requirements.

If we should fail to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause us to lose our REIT status if we (1) satisfied the asset tests at the close of the preceding calendar quarter and (2) the discrepancy between the value of our assets and the asset test requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the market value of our assets. If the condition described in (2) were not satisfied, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose.

Annual Distribution Requirements

In order to qualify as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders in an amount at least equal to:

(a) the sum of
  (1) 90% of our "REIT taxable income" (computed without regard to our deduction for dividends paid and net capital gains), and
  (2) 90% of the net income, if any, (after tax) from foreclosure property (as described below), minus

(b) the sum of specified items of noncash income.

These distributions must be paid in the taxable year to which they relate, or in the following taxable year if they are declared in October, November, or December of the taxable year, are payable to stockholders of record on a specified date in any such month, and are actually paid before the end of January of the following year. Such distributions are treated as both paid by us and received by each stockholder on December 31 of the year in which they are declared. In addition, a distribution for a taxable year may be declared before we timely file our tax return for the year and if paid with or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such taxable year. In order for distributions to be counted for this purpose, and to give rise to a tax deduction by us, they must not be "preferential dividends." A dividend is not a preferential dividend if it is pro rata among all outstanding shares of stock within a particular class, and is in accordance with the preferences among different classes of stock as set forth in our organizational documents.

To the extent that we distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, our net long-term capital gains and pay tax on such gains. In this case, we could elect to have our stockholders include their proportionate share of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax paid by us. Stockholders of ours would then increase the adjusted basis of their Global Signal stock by the difference between the designated amounts included in their long-term capital gains and the tax deemed paid with respect to their shares. To the extent that a REIT has available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that it must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the character, in the hands of stockholders, of any distributions that are actually made by the REIT, which are generally taxable to stockholders to the extent that the REIT has current or accumulated earnings and profits. See "Taxation of Stockholders — Taxation of Taxable Domestic Stockholders — Distributions."

If we should fail to distribute during each calendar year at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain net income for such year, and (3) any undistributed taxable income from prior periods, we would be subject to a 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed and (b) the amounts of income retained on which we have paid corporate income tax. We intend to make timely distributions so that we are not subject to the 4% excise tax.

It is possible that we, from time to time, may not have sufficient cash to meet the distribution requirements due to timing differences between (1) the actual receipt of cash, including receipt of distributions from our subsidiaries, and (2) our inclusion of items in income for federal income tax purposes. Other sources of non-cash taxable income include real estate and securities that are financed through securitization structures, which require some or all of available cash flows to be used to service borrowings, loans held by us as assets that are issued at a discount and require the accrual of taxable economic interest in advance of its receipt in cash, loans on which the borrower is permitted to defer cash payments of interest, and distressed loans on which we may be required to accrue taxable interest income even though the borrower is unable to make current servicing payments in cash. In the event that such timing differences occur, in order to meet the distribution requirements, it might be necessary to arrange for short-term, or possibly long-term, borrowings, or to pay dividends in the form of taxable in-kind distributions of property.

We may be able to rectify a failure to meet the distribution requirements for a year by paying "deficiency dividends" to stockholders in a later year, which may be included in our deduction for

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dividends paid for the earlier year. In this case, we may be able to avoid losing our REIT status or being taxed on amounts distributed as deficiency dividends. However, we will be required to pay interest and a penalty based on the amount of any deduction taken for deficiency dividends.

Failure to Qualify

If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, we would be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. Distributions to stockholders in any year in which we are not a REIT would not be deductible by us, nor would they be required to be made. In this situation, to the extent of current and accumulated earnings and profits, all distributions to stockholders that are individuals will generally be taxable at a rate of 15% (through 2008) pursuant to the 2003 Act, and, subject to limitations of the Code, corporate distributees may be eligible for the dividends received deduction. Unless we are entitled to relief under specific statutory provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether, in all circumstances, we would be entitled to this statutory relief.

Loss Carryovers

We have substantial net operating loss ("NOL") carryovers from prior taxable years. In connection with the consummation of our 2002 restructuring, we realized significant cancellation of indebtedness income, all of which was excluded from our gross income for federal income tax purposes. Under the Code, the amount of cancellation of indebtedness income so excluded substantially reduced our NOL carryovers accumulated prior to November 1, 2002. In addition, we expect that our depreciation deductions will be reduced for a period of five years after the date on which we received the capital investment from our new investors in the restructuring. Furthermore, our ability to utilize our NOLs to offset our future income has been limited significantly as a result of our restructuring. The effect of such reductions of, and limitations on our ability to utilize, our cumulative NOL carryovers and such reduction of our depreciation deductions will be either to reduce our future NOLs or to increase our REIT taxable income that must be distributed to our stockholders.

REITs generally pay little federal income tax because of the distribution requirements and the deduction for dividends paid to which REITs are generally entitled. A REIT's NOLs are not deductible by its stockholders, and, in general, do not affect the tax treatment to stockholders of distributions received from the REIT. If a REIT uses its NOLs to offset its taxable income and thus reduce its distribution requirements, it may nonetheless be subject to the alternative minimum tax because a portion of the deduction for NOLs is denied for that purpose.

If we undergo an "ownership change" within the meaning of the Code and the Treasury regulations, our ability to subsequently use our existing NOLs, and any other NOLs generated prior to the time of that ownership change, may be limited. In that case, the amount of the NOLs that we may use would generally be limited to the lower of our current NOL limitation, as discussed above, or the product of the value of our stock at the time of the ownership change multiplied by the long-term tax-exempt rate, which is a measure of interest rates on long-term tax-exempt bonds. To the extent our ability to use NOLs decreases, our REIT taxable income may increase. That increase may reduce the portion of our distributions that can be classified as a tax-free return of capital and, consequently, may increase the extent to which our distributions become taxable to our stockholders. See "— Taxation of Taxable Domestic Stockholders — Distributions" below. In general, an ownership change occurs if one or more large stockholders, known as "5% stockholders," including groups of stockholders that may be aggregated and treated as a single 5% stockholder, increase their aggregate percentage interest in us by more than 50 percentage points over their lowest ownership percentage during the preceding three-year period. Accordingly, no assurance can be given that an ownership change will not occur. Investors are therefore cautioned that our NOLs may not be available to us in their entirety and without limitation.

Prohibited Transactions

Net income derived from a prohibited transaction is subject to a 100% excise tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure

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property) that is held primarily for sale to customers in the ordinary course of a trade or business. We intend to conduct our operations so that no asset owned by us or our pass-through subsidiaries will be held for sale to customers, and that a sale of any such asset will not be in the ordinary course of our business. Whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends, however, on the particular facts and circumstances. No assurance can be given that any property we sell will not be treated as property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent the imposition of the 100% excise tax. The 100% tax does not apply to gains from the sale of property that is held through a taxable REIT subsidiary or other taxable corporation, although such income will be subject to tax in the hands of that corporation at regular corporate tax rates.

Foreign Investments

We and our subsidiaries currently hold and may acquire additional investments, and accordingly pay taxes, in foreign countries. Taxes paid by us in foreign jurisdictions may not be passed through to, or used by, our stockholders as a foreign tax credit or otherwise. Our foreign investments may also generate foreign currency gains and losses. Foreign currency gains are treated as income that does not qualify under the 95% or 75% income tests, unless certain technical requirements are met. No assurance can be given that these technical requirements will be met in the case of any foreign currency gains recognized by us directly or through pass-through subsidiaries, and will not adversely affect our ability to satisfy the REIT qualification requirements.

Hedging Transactions

We and our subsidiaries from time to time enter into hedging transactions with respect to interest rate exposure on one or more of our assets or liabilities. Any such hedging transactions could take a variety of forms, including the use of derivative instruments such as interest rate swap contracts, interest rate cap or floor contracts, futures or forward contracts, and options. For taxable years beginning prior to 2005, to the extent that we or a pass-through subsidiary enters into such a contract to reduce interest rate risk on indebtedness incurred or to be incurred to acquire or carry real estate assets, any periodic income from the instrument, or gain from the disposition of it, would be qualifying income for purposes of the REIT 95% gross income test, but not for the 75% gross income test. To the extent that we hedge with other types of financial instruments or in other situations (for example, hedges against fluctuations in the value of foreign currencies), the resultant income will be treated as income that does not qualify under the 95% or 75% income tests unless certain technical requirements are met.

For taxable years beginning in 2005, the 2004 Act exempts from the 95% REIT income test, income of a REIT, including income from a pass-through subsidiary, arising from "clearly identified" hedging transactions that are entered into to manage the risk of interest rate or price changes or currency fluctuations with respect to borrowings, including gain from the disposition of such hedging transactions, to the extent the hedging transactions hedge indebtedness incurred, or to be incurred, by the REIT to acquire or carry real estate assets. In general, for a hedging transaction to be "clearly identified," (a) it must be identified as a hedging transaction before the end of the day on which it is acquired or entered into, and (b) the items or risks being hedged must be identified "substantially contemporaneously" with entering into the hedging transaction (generally, not more than 35 days after entering into the hedging transaction).

We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT. We may conduct some or all of our hedging activities (including hedging activities relating to currency risk) through a TRS or other corporate entity, the income from which may be subject to federal income tax, rather than participating in the arrangements directly or through pass-through subsidiaries. No assurance can be given, however, that our hedging activities will not give rise to income that does not qualify for purposes of either or both of the REIT income tests, and will not adversely affect our ability to satisfy the REIT qualification requirements.

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Tax Aspects of Investments in an Operating Partnership

General

We currently hold our real estate assets through pass-through subsidiaries. In the future, we may consolidate our pass-through subsidiaries underneath a single "operating partnership." In general, a partnership is a "pass-through" entity that is not subject to federal income tax. Rather, partners are allocated their proportionate shares of the items of income, gain, loss, deduction, and credit of a partnership, and are potentially subject to tax on these items, without regard to whether the partners receive a distribution from the partnership. Thus, we would include in our income our proportionate share of these partnership items for purposes of the various REIT income tests and in the computation of our REIT taxable income. Moreover, for purposes of the REIT asset tests, we would include our proportionate share of the assets held by the operating partnership. Consequently, to the extent that we hold an equity interest in an operating partnership, the partnership's assets and operations may affect our ability to qualify as a REIT.

Entity Classification

Our investment in an operating partnership involves special tax considerations, including the possibility of a challenge by the IRS of the tax status of such partnership. If the IRS were to successfully treat an operating partnership as an association, as opposed to a partnership, for federal income tax purposes, the operating partnership would be taxable as a corporation and therefore could be subject to an entity-level tax on its income. In such a situation, the character of our assets and items of our gross income would change and could preclude us from satisfying the REIT asset tests or the gross income tests as discussed in "Taxation of Global Signal — Asset Tests" and "— Income Tests," and in turn could prevent us from qualifying as a REIT unless we are eligible for relief from the violation pursuant to relief provisions described above. See "Taxation of Global Signal — Failure to Qualify," above, for a discussion of the effect of our failure to meet these tests for a taxable year, and of the relief provisions. In addition, any change in the status of an operating partnership for tax purposes could be treated as a taxable event, in which case we could have taxable income that is subject to the REIT distribution requirements without receiving any cash.

Tax Allocations with Respect to Partnership Properties

Under the Code and the Treasury regulations, income, gain, loss, and deduction attributable to appreciated or depreciated property that is contributed to an operating partnership in exchange for an interest in the partnership must be allocated for tax purposes in a manner such that the contributing partner is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss is generally equal to the difference between the fair market value of the contributed property at the time of contribution, and the adjusted tax basis of such property at the time of contribution (a "book-tax difference"). Such allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. These rules may apply to a contribution of property by us to an operating partnership. To the extent that the operating partnership acquires appreciated (or depreciated) properties by way of capital contributions from its partners, allocations would need to be made in a manner consistent with these requirements. Where a partner contributes cash to a partnership at a time at which the partnership holds appreciated (or depreciated) property, the Treasury regulations provide for a similar allocation of these items to the other (i.e. non-contributing) partners. These rules may apply to the contribution by us to the operating partnership of the cash proceeds received in offerings of our stock. As a result, partners, including us, could be allocated greater or lesser amounts of depreciation and taxable income in respect of the partnership's properties than would be the case if all of the partnership's assets (including any contributed assets) had a tax basis equal to their fair market values at the time of any contributions to that partnership. This could cause us to recognize taxable income in excess of cash flow from the partnership, which might adversely affect our ability to comply with the REIT distribution requirements discussed above.

Sale of Properties

Our share of any gain realized by the Operating Partnership or any other subsidiary partnership on the sale of any property held as inventory or primarily for sale to customers in the ordinary course of business will be treated as income from a prohibited transaction that is subject to a 100% excise tax. See "— Taxation of REITs in General" and "— Prohibited Transactions." Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business depends upon all of the facts and circumstances of the particular transaction. The Operating Partnership and our other subsidiary partnerships generally intend to hold their interests in properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing, owning, operating, financing and leasing the properties, and to make occasional sales of the properties, including peripheral land, as are consistent with our investment objectives.

Taxation of Stockholders

Taxation of Taxable Domestic Stockholders

Distributions. Provided that we qualify as a REIT, distributions made to our taxable domestic stockholders out of current or accumulated earnings and profits, and not designated as capital gain dividends, will generally be taken into account by them as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, dividends received from REITs are not eligible for taxation at the preferential income tax rates (15% maximum federal rate through 2008) for qualified dividends received by individuals from taxable C corporations pursuant to the 2003 Act. Stockholders that are individuals, however, are taxed at the preferential rates on dividends designated by and received from REITs to the extent that the dividends are attributable to (1) income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax), (2) dividends received by the REIT from TRSs or other taxable C corporations, or (3) income in the prior taxable year from the sales of "built-in gain" property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

Distributions from us that are designated as capital gain dividends will generally be taxed to stockholders as long-term capital gains, to the extent that they do not exceed our actual net capital gain for the taxable year, without regard to the period for which the stockholder has held its stock. A similar treatment will apply to long-term capital gains retained by us, to the extent that we elect the application of provisions of the Code that treat stockholders of a REIT as having received, for federal income tax purposes, undistributed capital gains of the REIT, while passing through to stockholders a corresponding credit for taxes paid by the REIT on such retained capital gains. Corporate stockholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum federal rates of 15% (through 2008) in the case of stockholders who are individuals, and 35% in the case of stockholders that are corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum federal income tax rate for taxpayers who are individuals, to the extent of previously claimed depreciation deductions.

In determining the extent to which a distribution constitutes a dividend for tax purposes, our earnings and profits generally will be allocated first to distributions with respect to preferred stock, and then to common stock. If we have net capital gains and designate some or all of our distributions as capital gain dividends to that extent, the capital gain dividends will be allocated among different classes of stock in proportion to the allocation of earnings and profits as described above.

Distributions in excess of current and accumulated earnings and profits will not be taxable to a stockholder to the extent that they do not exceed the adjusted basis of the stockholder's shares in respect of which the distributions were made, but rather, will reduce the adjusted basis of these shares. To the extent that such distributions exceed the adjusted basis of a stockholder's shares, they will be included in income as long-term capital gain, or short-term capital gain if the shares have been held for one year or less. In addition, any dividend we declare in October, November, or December of any year and payable to a stockholder of record on a specified date in any such month will be treated as both paid by Global

Signal and received by the stockholder on December 31 of such year, provided that the dividend is actually paid by us before the end of January of the following calendar year.

Dispositions of Global Signal Stock. In general, a domestic stockholder will realize gain or loss upon the sale, redemption, or other taxable disposition of our stock in an amount equal to the difference between the sum of the fair market value of any property received and the amount of cash received in such disposition, and the stockholder's adjusted tax basis in the stock at the time of the disposition. In general, a stockholder's tax basis will equal the stockholder's acquisition cost, increased by the excess of net capital gains deemed distributed to the stockholder (discussed above), less tax deemed paid on it, and reduced by returns of capital. In general, capital gains recognized by individuals upon the sale or disposition of shares of our stock will, pursuant to the 2003 Act, be subject to a maximum federal income tax rate of 15% (through 2008) if our stock is held for more than 12 months, and will be taxed at ordinary income rates (of up to 35% through 2010) if our stock is held for 12 months or less. Gains recognized by stockholders that are corporations are subject to federal income tax at a maximum rate of 35%, whether or not classified as long-term capital gains. Capital losses recognized by a stockholder upon the disposition of our stock held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the stockholder but not ordinary income (except in the case of individuals, who may offset up to $3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of shares of our stock by a stockholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of distributions received from us that are required to be treated by the stockholder as long-term capital gain.

If an investor recognizes a loss upon a subsequent disposition of our stock in an amount that exceeds a prescribed threshold, it is possible that the provisions of recently adopted Treasury regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss generating transaction to the IRS. While these regulations are directed towards "tax shelters," they are written quite broadly and apply to transactions that would not typically be considered tax shelters. In addition, the 2004 Act imposes significant penalties for failure to comply with these requirements. You should consult your tax advisor concerning any possible disclosure obligation with respect to the receipt or disposition of our stock, or transactions that might be undertaken directly or indirectly by us. Moreover, you should be aware that we and other participants in the transactions involving us (including their advisors) might be subject to disclosure or other requirements pursuant to these regulations.

Passive Activity Losses and Investment Interest Limitations. Distributions made by us and gain arising from the sale or exchange by a domestic stockholder of our stock will not be treated as passive activity income. As a result, stockholders will not be able to apply any "passive losses" against income or gain relating to our stock. Distributions made by us, to the extent they do not constitute return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Taxation of Foreign Stockholders

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of our stock applicable to non-U.S. holders of our stock. A "non-U.S. holder" is any person other than:

(a) a citizen or resident of the United States;
(b) a corporation or partnership created or organized in the United States or under the laws of the

United States, or of any state thereof, or the District of Columbia;

(c) an estate, the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or

(d) a trust if a United States court is able to exercise primary supervision over the administration of such trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust.

The discussion is based on current law and is for general information only. It addresses only selected, and not all, aspects of U.S. federal income and estate taxation.

Ordinary Dividends. The portion of dividends received by non-U.S. holders payable out of our earnings and profits which are not attributable to our capital gains and which are not effectively connected with a U.S. trade or business of the non-U.S. holder will be subject to U.S. withholding tax at the rate of 30%, unless reduced by treaty.

In general, non-U.S. holders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our stock. In cases where the dividend income from a non-U.S. holder's investment in our stock is, or is treated as, effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, the non-U.S. holder generally will be subject to U.S. tax at graduated rates, in the same manner as domestic stockholders are taxed with respect to such dividends, such income must generally be reported on a U.S. income tax return filed by or on behalf of the non-U.S. holder, and the income may also be subject to the 30% branch profits tax in the case of a non-U.S. holder that is a corporation.

Non-Dividend Distributions. Unless our stock constitutes a U.S. real property interest (a "USRPI"), distributions by us which are not dividends out of our earnings and profits will not be subject to U.S. income tax. If it cannot be determined at the time at which a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. However, the non-U.S. holder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. If our stock constitutes a USRPI, as described below, distributions by us in excess of the sum of our earnings and profits plus the stockholder's basis in its Global Signal stock will be taxed under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") at the rate of tax, including any applicable capital gains rates, that would apply to a domestic stockholder of the same type (for example, an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a refundable withholding at a rate of 10% of the amount by which the distribution exceeds the stockholder's share of our earnings and profits.

Capital Gain Dividends. Under FIRPTA, a distribution made by us to a non-U.S. holder, to the extent attributable to gains from dispositions of USRPIs held by us directly or through pass-through subsidiaries ("USRPI capital gains"), will, except as discussed below, be considered effectively connected with a U.S. trade or business of the non-U.S. holder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether the distribution is designated as a capital gain dividend. In addition, we will be required to withhold tax equal to 35% of the amount of dividends to the extent the dividends constitute USRPI capital gains. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. A distribution is not a USRPI capital gain if we held the underlying asset solely as a creditor. Capital gain dividends received by a non-U.S. holder from a REIT attributable to dispositions by that REIT of assets other than USRPIs are generally not subject to U.S. income or withholding tax.

Pursuant to the 2004 Act, a capital gain dividend by us that would otherwise have been treated as a USRPI capital gain will not be so treated or be subject to FIRPTA, will generally not be treated as income that is effectively connected with a U.S. trade or business, and will instead be treated the same as an ordinary dividend from us (see "— Taxation of Foreign Stockholders — Ordinary Dividends"), provided that (1) the capital gain dividend is received with respect to a class of stock that is regularly traded on an established securities market located in the United States, and (2) the recipient non-U.S. holder does not own more than 5% of that class of stock at any time during the taxable year in which the capital gain dividend is received. This provision of the 2004 Act is effective for tax years beginning after December 31, 2004.

Dispositions of Global Signal Stock. Unless our stock constitutes a USRPI, a sale of the stock by a non-U.S. holder generally will not be subject to U.S. taxation under FIRPTA. The stock will be treated as a USRPI if 50% or more of our assets throughout a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor. Even if the foregoing test is met, our stock nonetheless will not constitute a USRPI if we are a "domestically controlled REIT." A domestically controlled REIT is a REIT in which, at all times during a specified testing period, less than 50% in value of its shares is held directly or

indirectly by non-U.S. holders. We believe that we are, and we expect to continue to be, a domestically controlled REIT and, therefore, the sale of our stock by a non-U.S. holder should not be subject to taxation under FIRPTA. Because our stock is publicly traded, however, no assurance can be given that we will be a domestically controlled REIT.

In the event that we do not constitute a domestically controlled REIT, a non-U.S. holder's sale of stock nonetheless will generally not be subject to tax under FIRPTA as a sale of a USRPI, provided that (1) the stock owned is of a class that is "regularly traded," as defined by applicable Treasury Department regulations, on an established securities market, and (2) the selling non-U.S. holder held 5% or less of our outstanding stock of that class at all times during a specified testing period.

If gain on the sale of our stock were subject to taxation under FIRPTA, the non-U.S. holder would be subject to the same treatment as a U.S. stockholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals, and the purchaser of the stock could be required to withhold 10% of the purchase price and remit such amount to the IRS.

Gain from the sale of our stock that would not otherwise be subject to FIRPTA will nonetheless be taxable in the United States to a non-U.S. holder in two cases: (1) if the non-U.S. holder's investment in our stock is effectively connected with a U.S. trade or business conducted by such non-U.S. holder, the non-U.S. holder will be subject to the same treatment as a U.S. stockholder with respect to such gain, or (2) if the non-U.S. holder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, the nonresident alien individual will be subject to a 30% tax on the individual's capital gain.

Estate Tax. Global Signal stock owned or treated as owned by an individual who is not a citizen or resident (as specially defined for U.S. federal estate tax purposes) of the United States at the time of death will be includable in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and may therefore be subject to U.S. federal estate tax.

Taxation of Tax-Exempt Stockholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from federal income taxation. However, they are subject to taxation on their unrelated business taxable income ("UBTI"). Provided that (1) a tax-exempt stockholder has not held our stock as "debt financed property" within the meaning of the Code (i.e. where the acquisition or holding of the property is financed through a borrowing by the tax-exempt stockholder), and (2) our stock is not otherwise used in an unrelated trade or business, distributions from us and income from the sale of our stock should not give rise to UBTI to a tax-exempt stockholder.

Tax-exempt stockholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from federal income taxation under sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code, respectively, are subject to different UBTI rules, which generally will require them to characterize distributions from us as UBTI.

In certain circumstances, a pension trust that owns more than 10% of our stock could be required to treat a percentage of the dividends from us as UBTI, if we are a "pension-held REIT." We will not be a pension-held REIT unless either (1) one pension trust owns more than 25% of the value of our stock, or (2) a group of pension trusts, each individually holding more than 10% of the value of our stock, collectively owns more than 50% of such stock. Certain restrictions on ownership and transfer of our stock should generally prevent a tax-exempt entity from owning more than 10% of the value of our stock, or our becoming a pension-held REIT.

Tax-exempt stockholders are urged to consult their tax advisors regarding the federal, state, local and foreign tax consequences of owning our stock.

Other Tax Considerations

Legislative or Other Actions Affecting REITs

The American Jobs Creation Act of 2004 contains a number of provisions that affect the tax treatment of REITs and their stockholders. As discussed above, the 2004 Act includes provisions that

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generally ease compliance with certain REIT asset requirements, with the REIT 95% gross income requirement (in connection with income from hedging activities), and which grant relief in cases involving violations of the REIT asset and other requirements, provided that specified conditions are met. See "Taxation of Global Signal — Requirements for Qualification — General," "— Asset Tests" and "— Income Tests." The 2004 Act also alters the tax treatment of capital gain dividends received by foreign stockholders in some cases. See "Taxation of Stockholders — Taxation of Foreign Stockholders — Capital Gain Dividends." These changes are generally effective beginning in 2005, except that the provisions relating to the 10% asset (value) requirement have retroactive effect to 2001.

The 2003 Act reduced the maximum tax rates at which individuals are taxed on capital gains from 20% to 15% (from May 6, 2003 through 2008) and on dividends payable by taxable subchapter C corporations from 38.6% to 15% (from January 1, 2003 through 2008). While gains from the sale of the stock of REITs are eligible for the reduced tax rates, dividends payable by REITs are not eligible for the reduced tax rates except in limited circumstances. See "Taxation of Stockholders — Taxation of Taxable Domestic Stockholders — Distributions." As a result, dividends received from

REITs generally will continue to be taxed at ordinary income rates (now at a maximum rate of 35% through 2010). The more favorable tax 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.

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. No assurance can be given as to whether, or in what form, the proposals described above (or any other proposals affecting REITs or their stockholders) will be enacted. Changes to the federal tax laws and interpretations thereof could adversely affect an investment in our securities.

State, Local and Foreign Taxes

We and our subsidiaries and stockholders may be subject to state, local or foreign taxation in various jurisdictions, including those in which it or they transact business, own property or reside. We own properties located in a number of jurisdictions, and may be required to file tax returns in some or all of those jurisdictions. The state, local or foreign tax treatment of us and our stockholders may not conform to the federal income tax treatment discussed above. We will pay foreign property taxes, and dispositions of foreign property or operations involving, or investments in, foreign property may give rise to foreign income or other tax liability in amounts that could be substantial. Any foreign taxes incurred by us do not pass through to stockholders as a credit against their U.S. federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in stock or other securities of ours.

ERISA CONSIDERATIONS

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 ERISA, the Internal Revenue Code or any substantially similar federal, state or local law. ERISA and the Internal Revenue Code impose restrictions on: (1) employee benefit plans as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, (2) plans described in Section 4975(e)(1) of the Internal Revenue Code that are subject to Section 4975 of the Internal Revenue Code, including retirement accounts and Keogh Plans, (3) entities whose underlying assets include plan assets by reason of a plan's investment in such entities (each of (1), (2) and (3), a "Plan"), and (4) persons who have certain specified relationships to a Plan described as "parties in interest" under ERISA and "disqualified persons" under the tax code.

Regulation Under ERISA and the Tax Code

ERISA imposes certain duties on persons who are fiduciaries of a Plan. Under ERISA, any person who exercises any authority or control over the management or disposition of a Plan's assets is considered to be a fiduciary of that Plan. Both ERISA and the Internal Revenue Code prohibit certain transactions involving "plan assets" between a Plan and parties in interest or disqualified persons. Violations of these rules may result in the imposition of an excise tax or penalty.

The term "plan assets" is not defined by ERISA or the Internal Revenue Code. However, a Plan's assets may be deemed to include an interest in the underlying assets of an entity if the Plan acquires an "equity interest" in such an entity such as the shares. In that event, the operations of such an entity could result in a prohibited transaction under ERISA and the Internal Revenue Code.

Regulation Issued by the Department of Labor

The Department of Labor issued a regulation that provides exceptions to this rule. Under this regulation, if a Plan acquires a "publicly offered security," the issuer of the security is not deemed to hold Plan assets. A publicly offered security is a security that:

- is freely transferable;
- is part of a class of securities that is owned by 100 or more investors independent of the issuer and of one another; and

is either:

- part of a class of securities registered under Section 12(b) or 12(g) of the Exchange Act; or
- sold to the Plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the class of securities of which such security is part is registered under the Exchange Act within the requisite time.

The Shares of Common Stock as "Publicly Offered Securities"

It is anticipated that the shares of common stock being offered hereby will meet the criteria of publicly offered securities. Although no assurances can be given, the underwriters expect that:

- there will be no restrictions imposed on the transfer of interests in the shares of common stock;
- shares of common stock will be held by at least 100 independent investors at the conclusion of the offering; and
- the shares of common stock will be sold as part of an offering pursuant to an effective registration statement under the Securities Act and will be timely registered under the Exchange Act.

Exemptions to Prohibited Transactions

If the shares of common stock fail to meet the criteria of publicly offered securities, our assets may be deemed to include assets of Plans that are stockholders. In that event, transactions involving our assets and parties in interest or disqualified persons with respect to such Plans might be prohibited under ERISA

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and the Internal Revenue Code unless a statutory or administrative exemption exists and the Plan satisfies all conditions for such exemptive relief.

There are five class exemptions issued by the Department of Labor that could apply in the event of a prohibited transaction. These Department of Labor Prohibited Transaction Class Exemptions apply to:

- certain transactions involving independent qualified professional asset managers (PTE 84-14);
- certain transactions involving bank collective investment funds (PTE 91-38);
- certain transactions involving insurance company pooled separate accounts (PTE 90-1);
- certain transactions involving insurance company general accounts (PTE 95-60); and
- certain transactions involving in-house asset managers (PTE 96-23).

However, there is no assurance that these exemptions or any other exemption will apply, even if all of the conditions specified therein are satisfied.

Special Considerations for Insurance Companies

An insurance company considering an investment should consider whether its general account may be deemed to include assets of the Plans investing in the general account, for example, through the purchase of an annuity contract. In John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993), the United States Supreme Court held that assets held in an insurance company's general account may be deemed to be plan assets under certain circumstances. In that event, the insurance company might be treated as a party in interest under such Plans. However, PTE 95-60 may exempt some or all of the transactions that could occur as the result of the acquisition of the common stock by an insurance company general account. Therefore, insurance company investors should analyze whether John Hancock and PTE 95-60 or any other exemption may have an impact with respect to their purchase of the common stock.

In addition, regulations were issued pursuant to Section 401(c) of ERISA relating to the status of the assets of insurance company general accounts under ERISA and Section 4975 of the Internal Revenue Code with respect to insurance policies issued on or before December 31, 1998, that are supported by an insurer's general account. As a result of these regulations, assets of an insurance company general account will not be treated as "plan assets" for purposes of the fiduciary responsibility provisions of ERISA and Section 4975 of the Internal Revenue Code to the extent such assets relate to contracts issued to employee benefit plans on or before December 31, 1998 and the insurer satisfies various conditions. The plan asset status of insurance company separate accounts is unaffected by Section 401(c) of ERISA, and separate account assets continue to be treated as the plan assets of any such Plan invested in a separate account.

General Investment Considerations

Prospective fiduciaries of a Plan considering the purchase of common stock should consult with their legal advisors concerning the impact of ERISA and the Internal Revenue Code and the potential consequences of making an investment in the shares of common stock with respect to their specific circumstances. Each Plan fiduciary should take into account, among other considerations:

- whether the fiduciary has the authority to make the investment;
- the composition of the Plan's portfolio with respect to diversification by type of asset;
- the Plan's funding objectives;
- the tax effects of the investment;
- whether the assets of the trust which are represented by such interests would be considered plan assets; and
- whether, under the general fiduciary standards of investment prudence and diversification an investment in the shares of common stock is appropriate for the Plan taking into account the overall investment policy of the plan and the composition of the plan's investment portfolio.

Certain employee benefit plans, such as governmental plans and certain church plans are not subject to the provisions of Title I of ERISA and Section 4975 of the Internal Revenue Code. Accordingly, assets of such Plans may be invested in the common stock without regard to the ERISA considerations described here, subject to the provisions of any other applicable federal and state law. It should be noted that any such plan that is qualified and exempt from taxation under the tax code is subject to the prohibited transaction rules set forth in the tax code.

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UNDERWRITING

Morgan Stanley & Co. Incorporated, Banc of America Securities LLC, and Raymond James & Associates, Inc. are acting as representatives of the underwriters named below. Morgan Stanley & Co. Incorporated and Banc of America Securities LLC are acting as joint book running managers and Raymond James & Associates, Inc. is acting as a co-manager. Subject to the terms and conditions described in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the number of shares listed opposite their names below.

Underwriter	Number of Shares
Morgan Stanley & Co. Incorporated	
Banc of America Securities LLC	
Raymond James & Associates, Inc.	
Total	2,900,000

The underwriters have agreed to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If any underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We will agree to indemnify the underwriters against various liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters initially propose to offer the shares to the public at the public offering price listed on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After this offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discounts and commissions and proceeds before expenses to us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' overallotment option.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discounts and commissions			
Proceeds, before expenses, to us	$		

The expenses of the offering, not including underwriting discounts and commissions, are estimated at $ million, including and are payable by us.

Overallotment Option

We have granted an option to the underwriters to purchase up to additional shares at the public offering price less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

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 Holdings described in the following paragraph, 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 90-day restricted period described above is subject to extension such that, in the event that either (1) during the last 17 days of the 90-day restricted period, we issue an earnings release or material news or a material event relating to us occurs or (2) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period, the "lock-up" restrictions described above, subject to limited exceptions, will continue to apply until the expiration of the 18-day period beginning on the earnings release or the occurrence of the material news or material event.

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.

New York Stock Exchange Listing

Our common stock is listed on the New York Stock Exchange under the symbol "GSL."

Price Stabilization, Short Positions and Penalty Bids

In order to facilitate the offering of our common stock, the representatives of the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the representatives may sell more shares than they are obligated to purchase under the underwriting agreement, creating a naked short position. The representatives must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the representatives are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the representatives may bid for, and purchase, shares of our common stock in the open market to stabilize the price of our common stock. The representatives may also reclaim selling concessions allowed to a dealer for distributing our common stock in this offering, if the representatives repurchase previously distributed common stock to cover the underwriters' short positions or to stabilize the price of our common stock. These activities may raise or maintain the market price of our common stock above independent market levels or prevent or retard a decline in the market price of our common stock. The representatives are not required to engage in these activities and may end any of these activities at any time.

Electronic Prospectus

A prospectus in electronic format may be made available on the websites maintained by one or more of the representatives and may also be made available on the websites maintained by other underwriters and the representatives and other underwriters may distribute prospectuses electronically. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Relationships

Certain of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking, lending and other commercial dealing in the ordinary course of business with us and

our affiliates, for which they have received, and expect to receive, customary fees and commissions for these transactions. For example, Morgan Stanley & Co. Incorporated and Banc of America Securities LLC and their respective affiliates have served as lenders under our credit facilities, placement agents with respect to our mortgage loan transactions and counterparties to our interest rate swap transactions, and as the lenders under the credit facility with an affiliate of Fortress Holdings. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Previous Credit Facilities," "—The February 2004 Mortgage Loan," "—The December 2004 Mortgage Loan," "—Interest Rate Swap Agreements," "Certain Relationships and Related Party Transactions—Pledge Shelf Registration Statements" and "Description of Certain Indebtedness." We have a $20 million revolving credit facility with affiliates of Morgan Stanley & Co. Incorporated and Banc of America Securities LLC under which no borrowings were outstanding as of December 21, 2004. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Revolving Credit Facility" and "Description of Certain Indebtedness—Revolving Credit Facility." We may use a portion of the net proceeds from this offering to temporarily repay borrowings under the credit facility if any are outstanding upon consummation of the offering.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, and for the underwriters by Sidley Austin Brown & Wood LLP. Certain partners of Skadden, Arps, Slate, Meagher & Flom LLP and their respective family members hold an aggregate of less than 1.0% of our outstanding shares of common stock after giving effect to the offering. Sidley Austin Brown & Wood LLP has represented us and certain of our affiliates in the past and continues to represent us on a regular basis on a variety of matters.

EXPERTS

The consolidated financial statements and schedules of Global Signal Inc. at December 31, 2003 and 2002, and for the year ended December 31, 2003, the two months ended December 31, 2002, the ten months ended October 31, 2002, and the year ended December 31, 2001, the statement of revenue and certain expenses of Tower Ventures for the year ended December 31, 2003, the statement of revenue and certain expenses of Foresite 2004 Acquisition, the statement of revenue and certain expenses of Lattice Acquisition for the year ended December 31, 2003, the statement of revenue and certain expenses of Didier Communications Acquisition for the year ended December 31, 2003, the statement of revenue and certain expenses of Towers of Texas Acquisition for the year ended December 31, 2003, the statement of revenue and certain expenses of Selectel Midwest for the year ended December 31, 2003, and the statement of revenue and certain expenses of Highland Towers Acquisition for the year ended December 31, 2003, all appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered certified public accountants, as set forth in their reports thereon appearing elsewhere in this prospectus, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The statements of revenue and certain expenses of Milestone Acquisition for the year ended December 31, 2003, included in this prospectus and the registration statement of which it is a part have been so included in reliance on the report of Kirkland, Russ, Murphy and Tapp LLP, independent accountants, given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement, of which this prospectus is a part, on Form S-11 with the Securities and Exchange Commission relating to this offering. This prospectus does not contain all of the information in the registration statement and the exhibits and financial statements included with the registration statement. References in this prospectus to any of our contracts, agreements or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contracts, agreements or documents. You may read and copy the registration statement, the related exhibits and other material we file with the Commission at the

Commission's public reference room in Washington, D.C. at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. You can also request copies of those documents, upon payment of a duplicating fee, by writing to the Commission. Please call the Commission at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The Commission also maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file with the Commission. The website address is http://www.sec.gov. You may also request a copy of these filings, at no cost, by writing or telephoning us as follows: Global Signal Inc., 301 North Cattlemen Road, Suite 300, Sarasota, Florida 34232, (941) 364-8886.

We are subject to the informational requirements of the Exchange Act and, in accordance with the Exchange Act, we file reports, proxy and information statements and other information with the Commission. Such annual, quarterly and special reports, proxy and information statements and other information can be inspected and copied at the locations set forth above. We report our financial statements on a year ended December 31 basis. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by our independent registered certified public accountants and with quarterly reports containing unaudited consolidated financial statements for each of the first three quarters of each fiscal year.

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INDEX TO FINANCIAL STATEMENTS
GLOBAL SIGNAL INC.

Financial Statements and Schedules

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated balance sheet is presented on a pro forma as adjusted basis to reflect this offering, the December 2004 mortgage loan issuance and the Milestone, Lattice, Didier Communications, Towers of Texas and Highland Towers acquisitions as if they had occurred on September 30, 2004. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2003 and the nine months ended September 30, 2004, are presented on a pro forma basis to reflect (i) the issuance of the $418.0 million February 2004 mortgage loan and the application of the mortgage loan net proceeds therefrom, (ii) the initial public offering of 8,050,000 shares of our common stock at an offering price of $18.00 per share and the application of the net proceeds therefrom, including a portion to fund the Tower Ventures acquisition, (iii) seven other acquisitions: Foresite 2004, 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 $293.8 million December 2004 mortgage loan and the application of the net proceeds therefrom, and on a pro forma as adjusted basis to reflect this offering of 2,900,000 shares of common stock at an offering price of $ per share and the application of the net proceeds therefrom, as if they had occurred on January 1, 2003 and January 1, 2004, respectively.

The acquisitions included in the pro forma financials statements consist of certain of our acquisitions that were consummated after December 31, 2003 or that we believe are probable to occur. 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. However, in the aggregate, the acquisitions included herein in these pro forma statements of operations represent all of our significant acquisitions, as defined in Regulation S-X of the Securities and Exchange Commission, and more than 50% of the total purchase price of the aggregate of our individually insignificant acquisitions that have been consummated since December 31, 2003 or that we believe are probable to occur.

Of the acquisitions included in the pro forma financial statements, the Milestone, Lattice, Didier Communications, Towers of Texas and Highland Towers acquisitions are included as adjustments to the pro forma balance sheet as they occurred, or will occur, after September 30, 2004. The adjustments in the pro forma statements of operations for the year ended December 31, 2003 and nine months ended September 30, 2004 includes the acquisitions listed above, as well as the Tower Ventures, Selectel Midwest and the Foresite 2004 acquisitions that were each consummated prior to September 30, 2004. Certain of the items considered in the pro forma adjustments to the statements of operations are not reflected as adjustments to the pro forma balance sheet, as they are already reflected in the historical balance sheet as of September 30, 2004.

The pro forma condensed consolidated financial statements should be read in conjunction with our consolidated financial statements, including the notes thereto, the Tower Ventures, Foresite 2004 Acquisition, Milestone Acquisition, Lattice Acquisition, Didier Communications Acquisition, Towers of Texas Acquisition, Selectel Midwest Acquisition, and Highland Towers Acquisition statements of revenue and certain expenses including the notes thereto, and our condensed consolidated interim financial statements including the notes thereto each included elsewhere in this prospectus. The pro forma condensed consolidated financial statements do not purport to represent our financial position or the results of operations that would actually have occurred assuming the completion of (i) this offering, (ii) the issuance of the December 2004 mortgage loan and the application of net proceeds therefrom, (iii) the Tower Ventures, Foresite, Milestone, Lattice, Didier Communications, Towers of Texas, Selectel Midwest and Highland Towers acquisitions, (iv) the issuance of the February 2004 mortgage loan and the application of net proceeds and (v) our initial public offering had occurred as of the dates indicated; nor do they purport to project our financial position or results of operations as of any future date or for any future period.

Pro Forma Condensed Consolidated Balance Sheet (Unaudited)
September 30, 2004
(in thousands)

	Historical September 30, 2004 (A)	Acquisitions after September 30, 2004 (B)		December 2004 Mortgage Loan Issuance (C)		Pro Forma September 30, 2004	This Offering (D)		Pro Form As Adjust September 2004
ts									
ent assets:									
and cash equivalents	$ 31,816	$ —		$ —	C1	$ 18,986	$ —	D1	$
				(14,806)	C2				
				1,976	C4				
unts receivable, prepaid nses and other current s	10,225	—		—		10,225	—		
est rate swap asset	2,234	—		(2,234)	C4	—	—		
l current assets	44,275	—		(15,064)		29,211	—		
ricted cash	23,734	(5,750)	B1	112,153	C1	139,952	—	D1	
				8,565	C2				
				1,250	C2				

d assets, net	431,308	155,430	B2	—		586,738		—	
l		224	B2	—		224		—	
gible assets, net	124,551	25,992	B2	—		150,543		—	
rred debt issuance costs,									
	14,356	—		4,991	C2	18,958		—	
				(389)	C3				
r assets	6,887	—		—		6,887		—	
	$ 645,111	$ 175,896		$111,506		$932,513	$	—	$
ilities and Stockholders' ity									
ent liabilities:									