GLOBAL SIGNAL INC
Form S-11/A
April 22, 2005
As filed with the Securities and Exchange Commission on April 22, 2005

Registration No. 333-121576

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to

Form S-11

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

Global Signal Inc.

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

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Sarasota, Florida 34232
(941) 364-8886

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

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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	6,325,000	$ 28.93	$ 182,982,250	$ 21,537.01 (3)

(1) Includes 575,000 shares which may be issued upon the exercise of the underwriters' overallotment 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 April 18, 2005.
(3) $10,430.37 was previously paid with initial filing on December 22, 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 APRIL 22, 2005

PROSPECTUS

5,750,000 Shares

Global Signal Inc.

Common Stock

We are offering 5,750,000 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 April 18, 2005, was $29.02 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 20 before buying our common stock. Investing in our common stock involves risks, including:

- We emerged from Chapter 11 bankruptcy reorganization in November 2002, have a history of losses and do not expect to be able to maintain positive net income.
- 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 financial position.
- We may encounter difficulties in acquiring towers at attractive prices, closing the Sprint transaction, or integrating acquisitions, including Sprint, with our operations, which could limit our revenue growth and increase our expected net losses.
- We have significant customer concentration and the loss of one or more of our major customers or a reduction in their utilization of our communications site space could result in a material reduction in our revenues.
- 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 575,000 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
Citigroup	Raymond James

The date of this prospectus is , 2005

[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. 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. On February 14, 2005, we, Sprint Corporation, or Sprint, and certain Sprint subsidiaries entered into an agreement to lease or otherwise operate over 6,600 wireless communications tower sites and the related towers and assets. The consummation of the Sprint transaction will substantially increase the size and scope of our operations.

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 issuances combined with low-cost fixed-rate debt obtained through the issuance of mortgage-backed

securities. Through this strategy, we seek to increase our dividend per share over time. 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. We paid a dividend of $0.40 per share of our common stock for the quarter ended December 31, 2004 which is a 28.0% increase over the dividend we paid for the quarter ended December 31, 2003. In addition, on March 30, 2005, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ended March 31, 2005, which was paid on April 21, 2005 to stockholders of record as of April 11, 2005.

For the years ended December 31, 2003 and 2004, substantially all of our revenues came from our ownership, leasing and management of communications towers and other communications sites. Although we have communications sites located throughout the United States, Canada and the United Kingdom, our communications sites are primarily located in the southeastern and mid-Atlantic regions of the United States. As of December 31, 2004, we owned 2,988 towers and 265 other communications sites. We own in fee or have long-term easements on the land under 915 of these towers and we lease the land under 2,073 of these towers. In addition, as of December 31, 2004, we managed 807 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 December 31, 2004, we owned or managed a total of 4,060 communications sites. On a pro forma basis for the Sprint transaction and the Triton and ForeSite 2005 acquisitions described below, as of December 31, 2004, we would own, manage or lease, over 11,000 communications sites and we would be the third largest wireless communications tower operator based on number of towers owned, managed or leased.

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 December 31, 2004, we had an aggregate of more than 15,000 leases on our communications sites with over 2,000 customers. The average number of tenants on our owned towers, as of December 31, 2004, was 4.1, which included an average of 1.6 wireless telephony tenants. The percentage of our revenues from wireless telephony tenants has increased from 41.0% of our total revenues for the month of December 2003 to 51.1% of our total revenues for the month of December 2004.

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For the years ended December 31, 2003 and 2004, we generated:

	2003	2004
	($ in millions)	
Revenues	$ 166.7	$ 182.9
Net income	$ 13.2	$ 6.9
Adjusted EBITDA(1)	$ 81.6	$ 102.4
Adjusted Funds from Operations(1)	$ 60.1	$ 71.8

(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.

Recent Developments

Acquisitions

Since the beginning of our acquisition program on December 1, 2003, through April 18, 2005, we have acquired 1,024 communications sites for an aggregate purchase price of approximately $428.1 million, including fees and expenses. In addition, during this time, we invested an additional $9.2 million, including fees and expenses, to acquire a fee interest or long-term easement under 92 wireless communications towers where we previously had a leasehold interest.

The table below is a summary of some of our larger acquisitions completed in 2004 and early 2005.

Seller	Acquisition Closing Dates	No. of Acquired Communications Sites	Purchase Price, Including Fees & Expenses ($ million)	% of Revenue From Investment Grade or Wireless Telephony Tenants(1)	Primary Site Locations
Towers of Texas Inc.	December 2004	48	$ 25.5	99.5%	Texas
Didicom Towers, Inc.	December 2004	95	27.0	93.3	Arkansas, Missouri and Oklahoma
GoldenState Towers, LLC(2)	November 2004	214	64.5	98.2	California, Oregon, Idaho, Washington, Nevad and Arizona
Lattice Communications, LLC	October 2004 through March 2005	236	116.3	86.4	Indiana, Ohio, Alabama, Kansas and Georgia
Tower Ventures III LLC(2)	June 2004	97	53.0	99.6	Tennessee, Mississippi, M and Arkansas

(1)As of the time of acquisition.
(2)We acquired the membership interests of the named entity, which owns the towers.

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Prior to December 7, 2004, our acquisitions were funded through borrowings under our credit facility and a portion of the net proceeds from our initial public offering. Thereafter, the acquisitions were funded with cash from the site acquisition reserve account established as part of the December 2004 mortgage loan. See section entitled "Description of Certain Indebtedness — December 2004 Mortgage Loan."

On April 14, 2005, we entered into an agreement to purchase 172 wireless communications sites for approximately $32.8 million, including estimated fees and expenses, from ForeSite LLC, which we refer to as the ForeSite 2005 acquisition. The towers are located in Alabama, Georgia, Mississippi, Louisiana, Florida, Tennessee, and South

Carolina. Revenues on these towers are derived 80% from wireless telephony tenants and 18% from public utility tenants. The transaction is expected to close in the second quarter of 2005 and is subject to customary closing conditions.

On March 21, 2005, we entered into an agreement to purchase 169 wireless communications sites for approximately $56.2 million, including estimated fees and expenses, from Triton PCS Holdings, Inc. or Triton. The transaction is expected to close toward the end of the second quarter of 2005 and is subject to customary closing conditions. The towers are primarily located in the Charlotte, Raleigh and Greensboro markets of North Carolina, with additional sites located in other regions of North Carolina and in South Carolina, Georgia and Puerto Rico. Substantially all of the revenues on these towers are derived from wireless telephony tenants. As part of the transaction, Global Signal and Triton have agreed to enter into a 10-year master lease agreement, with three 5-year lease renewal options, whereby Triton will pay us an initial monthly rate of $1,850 for each of the 169 towers. Additionally, we obtained an exclusive option to acquire an additional 70 existing towers owned by Triton, together with an option to acquire all new towers constructed by Triton during a one-year period after closing.

As of April 18, 2005, in addition to the Triton and ForeSite acquisitions referred to above, we have executed definitive agreements and non-binding letters of intent with other parties to acquire an additional 38 communications sites and to acquire fee interest or long-term easements under an additional 10 communications towers, for an aggregate purchase price of approximately $21.9 million, including estimated fees and expenses. We are in the process of performing due diligence on the towers under non-binding letters of intent and seek 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. We expect to use a portion of the proceeds from this offering to finance the acquisition of these additional towers. The above pending acquisitions are subject to customary closing conditions for real estate transactions of this type and may not be successfully completed.

Sprint Transaction

On February 14, 2005, we, Sprint, and certain Sprint subsidiaries entered into an agreement to contribute, lease and sublease, which we refer to as the Agreement to Lease. Under the Agreement to Lease, we have agreed to lease (or, if certain consents have not been obtained, operate) for a period of 32 years over 6,600 wireless communications tower sites and the related towers and assets (collectively, the "Sprint Towers") from one or more newly formed special purpose entities of Sprint under one or more master leases for which we agreed to pay approximately $1.2 billion as prepaid rent, which we refer to as the upfront rental payment, subject to certain conditions, adjustments and pro-rations. The closing of the Sprint transaction is expected to occur toward the end of the second quarter of 2005. The Sprint transaction is subject to certain closing conditions, and there is no assurance that it will be consummated.

Pursuant to the Agreement to Lease, we expect certain Sprint entities to collocate on approximately 6,400 of the Sprint Towers for an initial period of ten years. In addition, as of December 31, 2004, the Sprint Towers had approximately 5,600 collocation leases with other wireless tenants and substantially all of the revenue was derived from wireless telephony tenants. We expect to use a portion of the proceeds from this offering to pay a portion of the upfront rental payment. The remainder of the upfront rental payment is expected to be financed through a combination of bridge debt financing and a private placement of equity, as is more fully described in "Business — Investment Agreement," "Business — Bridge Financing" and "Business — Revolving Credit Agreement."

Sprint Towers. As of December 31, 2004, the Sprint Towers are comprised of 5,060 monopoles, 1,419 lattice, and 136 guyed towers which generated approximately $103.8 million of revenues during 2004 from third-party tenant leases. Sprint has also agreed to collocate on approximately 6,400 of the Sprint Towers for an initial period of ten years. On a pro forma basis, assuming we had leased the Sprint Towers beginning January 1, 2004 and including the revenues we would earn from the Sprint collocation subleases on approximately 6,400 of these towers for an initial monthly collocation charge of $1,400 per tower, the Sprint Towers would have generated approximately $222.4 million of revenues for the year ended December 31, 2004. Substantially all revenue attributable to the Sprint Towers in 2004 was derived from wireless telephony tenants. As of December 31, 2004, Sprint had ground leases with third parties under 6,607 of these towers with an average term, including optional renewals, of approximately 17.9 years.

Approximately 75% of the Sprint Towers are located in the top 50 basic trading area, or BTA, markets, which is a geographic area used by the Federal Communications Commission, or FCC, to define the coverage of spectrum licenses for wireless services, and approximately 87% of the Sprint Towers are located in the top 100 BTA markets in the United States. Based on the 2000 U.S. census, approximately 59% of the U.S. population is located in the top 50 BTA markets and approximately 72% of the U.S. population is located in the top 100 BTA markets. The Sprint Tower portfolio has a higher concentration of towers in both the top 50 and 100 BTA markets than any of the publicly traded tower companies.

Sprint will collocate on approximately 6,400 of these sites for an initial period of ten years. As of December 31, 2004, there were approximately 5,600 third-party tenant leases with an average remaining term of 2.5 years excluding renewals and the average lease rate was approximately $1,520 per month. As of December 31, 2004, substantially all of the third-party tenant leases on the Sprint Towers were with wireless telephony tenants. The Sprint Towers have an average tenant per tower ratio of 1.8, which is lower than the towers owned in our portfolio as of December 31, 2004, and we will seek to increase this average through active marketing.

Investment Agreement. On February 14, 2005, in connection with the execution of the Sprint transaction, we entered into an Investment Agreement with (a) Fortress Investment Fund II LLC, a Delaware limited liability company, or FIF II, an affiliate of our largest stockholder, Fortress; (b) various affiliates of our third largest stockholder, Abrams Capital, LLC; and (c) Greenhill, our second largest stockholder and certain of its affiliates. We refer to the above referenced parties as the Investors, and each party individually as an Investor. For a more detailed description of the Investment Agreement, see the section entitled "Description of Certain Indebtedness — Investment Agreement." Under the Investment Agreement, the Investors committed to purchase, at the closing of the Sprint transaction, up to $500.0 million of our common stock at a price of $25.50 per share. The $500.0 million aggregate commitment from the Investors will automatically be reduced by (1) the amount of net proceeds received by us pursuant to any offering of our equity securities prior to the closing of the Sprint transaction, including proceeds received in this offering, and (2) the amount of any borrowings in excess of $750.0 million outstanding prior to the closing of the Sprint transaction under any credit facility or similar agreements provided to us in connection with the Sprint transaction, provided that the Investors' aggregate commitment will not be reduced below $250.0 million. The purchase of the shares by the Investors is conditioned upon the occurrence of the closing of the Sprint transaction, and will close simultaneously with the Sprint transaction. As described below, on March 10, 2005, we executed a non-binding term sheet with Morgan Stanley Asset Funding Inc., Bank of America, N.A., and Banc of America Securities LLC, affiliates of the representatives of the underwriters, increasing the amount of bridge financing up to $850.0 million. If we enter into a definitive agreement for bridge financing of up to $850.0 million and successfully complete this offering, with the assumed net proceeds of at least $150.0 million, the Investors' commitment to purchase under the Investment Agreement will be reduced to $250.0 million.

Bridge Financing. On February 8, 2005, we received a letter from Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC (affiliates of representatives of the underwriters) setting forth the terms on which they would provide bridge financing of approximately $750.0 million to us for use in funding the Sprint transaction. On March 10, 2005, we executed a non-binding term sheet subject to certain conditions with Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC increasing the

amount of bridge financing up to $850.0 million. For a more detailed description of the proposed bridge financing arrangement, see the section entitled "Description of Certain Indebtedness — Bridge Financing." In the future we intend to refinance the bridge loan with a mortgage loan on or before its maturity.

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Interest Rate Swaps. In connection with the Sprint transaction, on February 2, 2005 and March 21, 2005, we entered into interest rate swap agreements for a total notional value of $850.0 million with Bank of America, N.A., an affiliate of one of the representatives of the underwriters, as counterparty, in anticipation of securing $850.0 million or more of bridge financing, which is expected to be replaced by a mortgage loan of an equal or greater amount. For a more detailed description of the interest rate swaps, see the section entitled "Business — Interest Rate Swaps."

Financings

Our wholly owned subsidiary, Global Signal Acquisitions LLC or Global Signal Acquisitions is in the process of negotiating a 364-day $200.0 million credit facility, which we refer to as the proposed acquisition credit facility, with Morgan Stanley Asset Funding Inc. and Bank of America, N.A. (affiliates of the representatives of the underwriters) to provide funding for the acquisition of additional communications sites. We expect the proposed acquisition credit facility to be secured by substantially all of Global Signal Acquisitions' tangible and intangible assets and to be guaranteed by Global Signal OP, Global Signal Inc. and Global Signal GP LLC. We expect the level of available borrowings to be limited based on a borrowing base. We intend to fund future acquisitions with this credit facility along with a portion of the proceeds from this offering and incremental equity offerings. While we are still negotiating the terms of the proposed acquisition credit facility, we expect borrowings will bear interest at our option at either the Eurodollar rate or the bank's base rate, plus an applicable margin based on Global Signal Acquisitions' leverage. There can be no assurance that we will secure this financing on these terms or within the time necessary to close on acquisitions as scheduled, or to be able to secure this financing at all. For a more detailed description, see section entitled "Description of Certain Indebtedness — Proposed Acquisition Credit Facility."

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 1, 2003 along with certain additional communications sites we expected 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 April 18, 2005, the site acquisition reserve account had a balance of $15.2 million, which we expect to use to partially fund the ForeSite 2005 acquisition and other pending acquisitions. The December 2004 mortgage loan requires monthly payments of interest until its maturity in December 2009. The weighted average interest rate on the mortgage loan 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 and its interest in the five subsidiaries which we expect will have an aggregate acquisition cost of approximately $450.0 million, including estimated fees and expenses, after all monies in the site acquisition reserve have been used to fund acquisitions.

On December 3, 2004, Global Signal OP entered into a 364-day $20.0 million revolving credit agreement, which we refer to as the Revolving Credit Agreement, with Morgan Stanley Asset Funding Inc. and Bank of America, N.A.,

affiliates of the underwriters, to provide funding for working capital and other corporate purposes. On February 9, 2005, we amended and restated the Revolving Credit Agreement to provide an additional $50.0 million term loan facility in connection with the Sprint transaction. On February 14, 2005, the full amount of the term loan was borrowed and posted as a deposit, as required by the Agreement to Lease. On April 15, 2005, we further amended and restated the Revolving Credit Agreement to provide an additional $25.0 million multi-draw term loan to be used for fees and expenses incurred in connection with the Sprint transaction. Amounts available under the revolving credit facility will be 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 (excluding any equity issuances by us in connection with the Sprint transaction, including this offering, or as a result of the exercise of options or warrants outstanding as of February 9, 2005). The term loans must be repaid on the earlier of (1) August 14, 2005, (2) the date that we receive a refund of our $50.0 million deposit from Sprint under the Agreement to Lease, and (3) the date of the closing of the Sprint transaction. Interest on the $20.0 million revolving portion of this 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%. Interest on the term loans

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under the credit facility is payable at our option at either LIBOR plus 1.75% or the bank's base rate plus 0.75%. This credit facility contains covenants and restrictions standard for a facility of this type including a limitation on our consolidated indebtedness at approximately $1.0 billion and a requirement to limit our ratio of consolidated indebtedness to consolidated EBITDA, as defined in the loan document, to 7.0 to 1.0. The limitations on consolidated indebtedness will be increased to approximately $1.8 billion and the ratio to 7.65 to 1.0, upon consummation of the bridge financing for the Sprint transaction. The credit facility continues to be guaranteed by us, Global Signal GP, LLC and certain subsidiaries of Global Signal OP. 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, a pledge by us and Global Signal GP, LLC of our interests in Global Signal OP, and a pledge by us of 65% of our interest in our Canadian subsidiary. As of December 31, 2004, the pledged interests in the United Kingdom and Canadian subsidiaries collectively constituted approximately 1.0% of our total assets' book value.

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. We received net proceeds from the offering of approximately $131.2 million which we primarily utilized to repay the outstanding borrowings at such time under our credit facility and to fund the acquisition of communications sites.

On February 5, 2004, our largest operating subsidiary, Pinnacle Towers LLC (known as Pinnacle Towers Inc. at the time), and 13 of its direct and indirect subsidiaries borrowed $418.0 million under a mortgage loan made payable to a trust, which we refer to as the February 2004 mortgage loan. The trust simultaneously issued $418.0 million in commercial mortgage pass-through certificates with terms that correspond 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 April 18, 2005, 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 91.9% of our gross margins for the year ended December 31, 2004.

Dividends

The table below is a summary of our dividend history.

Dividend Summary

Dividend Period	Pay Date	Dividend per Share ($)	Total Dividend ($ million)	Amount of Dividend Accounted For As Return of Stockholders' Capital ($ million)
October 1 – December 31, 2004	January 20, 2005	$ 0.4000	$ 20.9	$ 16.4
July 1 – September 30, 2004	October 20, 2004	0.3750	19.1	16.3
June 1 – June 30, 2004	July 20, 2004	0.1030	5.2	5.2
April 1 – May 31, 2004	June 14, 2004	0.2095	8.8	8.8
January 1 – March 31, 2004	April 22, 2004	0.3125	13.1	13.1
October 1 – December 31, 2003	February 5, 2004	0.3125	12.8	0.6
One-time special distribution	February 5, 2004	3.4680	142.2	142.2

On March 30, 2005, our board of directors declared a dividend of $0.40 per share of our common stock for the three months ended March 31, 2005, which was paid on April 21, 2005 to the stockholders of record as of April 11, 2005. The portion of this dividend which exceeds our accumulated earnings as of March 31, 2005 will represent a return of capital. As of the date of this prospectus, we have not closed our accounting books and records for the three months ended March 31, 2005, 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.

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 quality and to 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 enter into multi-year leases and renew them.
- 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, 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. On a pro forma basis for the Sprint transaction and the Triton and ForeSite 2005 acquisitions, as of December 31, 2004, we would own, manage or lease over 11,000 communications sites and we would be the third largest wireless communications tower operator based on number of towers owned, managed or leased.
- Expand our Communications Sites Network Through Acquisition and Development of Towers. We plan to purchase or selectively 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 relatively stable revenue stream and that there is a high likelihood of lease renewals by multiple tenants. Since 1998, we have experienced average annualized churn as a result of non-renewal and other lease terminations from our telephony 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 issuances 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 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 Relatively Stable Cash Flows. As of December 31, 2004, we owned or managed 4,060 communications sites, including 2,988 owned towers. Our diversified customer base, which includes over 2,000 customers with over 15,000 leases,

has historically provided us with a relatively 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 implemented new computer systems to manage our communications sites, tenant and ground leases, and to handle our accounting and billing functions. In addition, we recently implemented 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.
- 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 4.1% of our common stock on a fully diluted basis, as of December 31, 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 they held making their total investment in us 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. Since our reorganization, Fortress and Greenhill increased their holding of our common stock through the purchase of shares and exercise of warrants and options for a net increase totaling 1,687,326 of common stock for an aggregate purchase price of $11.4 million. In addition, over this period, Fortress and Greenhill have received distributions representing a return of capital totaling $156.3 million comprised of a special distribution on February 5, 2004, and returns of capital related to their portion of our December 2003, and our May, June, September and December 2004 ordinary dividends to the extent the dividends exceeded accumulated earnings. On April 21, 2005, we also paid our stockholders of record as of April 11, 2005 a dividend of $0.40 per share of our common stock for the three months ended March 31, 2005. As of the date of this prospectus, we have not closed our

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accounting books and records for the three months ended March 31, 2005, and therefore we cannot determine the exact amount of this dividend that represents a return of our stockholders' capital. The aggregate dividend was

approximately $20.9 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 and Fortress and Greenhill will have received a return of all of their invested capital plus approximately $0.4 million.

Under the plan, we 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 in November 2002 with Fortress as our controlling stockholder. On February 5, 2004, the old credit facility was repaid in full and terminated.

Prior to our reorganization we acquired certain non-strategic assets unrelated to our core tower business, which have subsequently been sold, and our former management was unable to efficiently integrate and manage our communications sites. Our current growth strategy, which is in part based on a new site acquisition and development strategy, is significantly different. The primary differences are (1) our strategy to finance our assets using a capital structure which we believe does not rely on growth to reduce leverage and uses low-cost fixed-rate debt obtained through the issuance of mortgage-backed securities combined with a portion of the proceeds from 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 is generally designed to allow us to evaluate and price acquisitions based on their current yields and on 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.

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

(1) Unless otherwise noted, all ownership is 100% and the number of communications sites shown indicates sites held directly or indirectly as of December 31, 2004.
(2) The borrower under the Revolving Credit Agreement.
(3) The borrowers under the February 2004 mortgage loan.
(4) The borrowers under the December 2004 mortgage loan; the number of communications sites held by Pinnacle Towers Acquisition LCC and its subsidiaries is expected to increase as the site acquisition reserve is invested.
(5) Global Signal Acquisitions LLC is expected to be the borrower under the proposed acquisition credit facility and the entity which will acquire future wireless communications sites (excluding the Sprint Towers) once our current

site acquisition reserve has been fully invested.

(6)Global Signal Acquisitions II LLC, or one of its subsidiaries, is expected to be the borrower under the bridge loan and the entity that will enter into the lease with Sprint Corporation to operate the Sprint Towers.

(7)Our primary management and services company that has management agreements with Pinnacle Towers LLC and its subsidiaries and with Pinnacle Towers Acquisition Holdings LLC and its subsidiaries. Global Signal Services LLC is also expected to provide similar services to Global Signal Acquisitions LLC and Global Signal Acquisitions II LLC.

Risks Relating to Our Business

- We emerged from Chapter 11 bankruptcy reorganization in November 2002, have a history of losses and do not expect to be able to maintain positive net income.
- 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.
- Failure to close the Sprint transaction could negatively impact our stock price and financial results and subject us to a forfeiture of our $50.0 million deposit.
- We may encounter difficulties in acquiring towers at attractive prices, closing the Sprint transaction or integrating acquisitions with our operations, which could limit our revenue growth and increase our expected net losses.
- A decrease in the demand for our communications sites or our ability to attract additional tenants could negatively impact our financial position.
- Failure to successfully and efficiently integrate the Sprint transaction or other transactions into our operations may adversely affect our operations and financial conditions.
- Our revenues may be adversely affected by the economies, real estate markets and wireless communications industries 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 communications site space could result in a material reduction in our revenues.
- We believe that it is likely that a master lease with our largest customer will be renewed or extended on significantly less favorable terms and rates.
- We have had material weaknesses in our internal controls and these may not have been remedied, or other internal control weaknesses could exist.
- As of December 31, 2004, our tenant leases had a weighted average current term of approximately 5.3 years and had a weighted average remaining term of 2.9 years excluding optional renewal periods. Our revenues depend on the renewal of our tenant leases by our customers.
- We recently implemented 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 or procure additional ground space, which could harm our ability to add additional site space to our communications sites and new customers, which could result in our inability to execute our growth strategy and limit our revenue growth.

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- 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.
- Repayment of the principal of our outstanding indebtedness (including repayment of our proposed acquisition credit facility and our proposed bridge facility to finance a portion of the upfront rental payment due in connection with the Sprint transaction) will require additional financing that we cannot ensure will be available to us.
- 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, secure financing 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.
- The terms of our mortgage loans, revolving credit facility, proposed acquisition credit facility and the Sprint Agreement to Lease 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 tax legislation enacted in 2003.
- REIT distribution requirements could adversely affect our liquidity.
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The stock ownership limits imposed by the Internal Revenue Code of 1986, as amended, 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 Fortress or Greenhill, our two largest stockholders, default under credit agreements secured by their respective holdings of 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, the Revolving Credit Agreement and the proposed acquisition credit facility could have effects that conflict with the interests of our stockholders.
- 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 our 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.

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	5,750,000 shares
Common stock to be outstanding after the offering	57,993,987 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 3,104,281 shares of common stock outstanding as of April 18, 2005 and excludes 9,803,922 shares expected to be issued in connection with the Sprint transaction to the Investors pursuant to the Investment

Agreement.

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 $82.0 million to finance a portion of the upfront rental payment of approximately $1.2 billion (subject to certain conditions, adjustments and prorations) to be paid in connection with the Sprint

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transaction. For a more detailed description of the Sprint transaction, see "Business—Sprint Transaction." The Sprint transaction is subject to certain closing conditions and may not close. In the event the Sprint transaction does not close we intend to use the net proceeds of this offering to finance the acquisition of other communications sites and for general corporate purposes.
- Approximately $55.0 million to repay the debt outstanding under our Revolving Credit Agreement with Morgan Stanley Asset Funding Inc. and Bank of America, N.A., affiliates of the representatives of the underwriters, including $50.0 million incurred to finance the Sprint transaction deposit, currently held in escrow, and $5.0 million incurred to pay for a portion of the costs and expenses of the Sprint transaction. The $50.0 million was borrowed under the term loan portion of the Revolving Credit Agreement and the $5.0 million was borrowed under the multi-draw term loan portion of the Revolving Credit Agreement. On April 18, 2005, the interest rate on the multi-draw portion of the Revolving Credit Agreement was 4.74% and, the interest rate on the term loan portion of the Revolving Credit Agreement was 4.68%.The term loans mature on the earlier to occur of (1) August 14, 2005, (2) the date that we receive a refund of our $50.0 million deposit from Sprint under the Agreement to Lease, or (3) the date of the closing of the Sprint transaction. We expect to use borrowings under the Revolving Credit Agreement primarily to fund costs and expenses relating to the Sprint transaction and general corporate purposes, including funding acquisitions, from time to time, of additional wireless communications towers and other communications sites;
- 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		
Other expenses of offering		
Net offering proceeds	$	%

	Dollar Amount (in thousands)	Percentage of Net Proceeds
Estimated amount to finance a portion of the upfront rental payment to Sprint	$ 82.0	%
Estimated amount to repay debt outstanding under our Revolving Credit Agreement	$ 55.0	%
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 maintain our qualification as a REIT.

Restrictions on Ownership of Stock

Due to limitations on the concentration of ownership of a REIT imposed by the Internal Revenue Code, 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.

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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

Since the fourth quarter of 2003 we have paid regular quarterly distributions to holders of our common stock, see "— Dividend Summary." 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. As of April 21, 2005, we had distributed in excess of 90% of our estimated 2005 year-to-date taxable income.

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SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth summary historical consolidated financial and other data. The balance sheet data as of December 31 2003 and 2004 and the statements of operations and cash flows data for the years ended December 31, 2003, and 2004 and the ten months ended October 31, 2002 and the two months ended December 31, 2002 are derived from our audited consolidated financial statements included elsewhere herein. The balance sheet data as of October 31, 2002, and December 31, 2002 is derived from our unaudited and audited, respectively, consolidated financial statements not included herein.

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 net loan 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 of common stock, and the application of the net proceeds therefrom, including a portion to fund the Tower Ventures acquisition, (iii) the consummation of the Sprint transaction and related financing, including the funding of the $850.0 million bridge facility, the $55.0 million of borrowing under the Revolving Credit Agreement, and the issuance of $250.0 million of common stock pursuant to the Investment Agreement, (iv) five other acquisitions: ForeSite 2005, Lattice, Didier Communications, Towers of Texas, and Triton, all of which have been consummated or are currently subject to definitive purchase agreements, (v) the issuance of the December 2004 mortgage loan of $293.8 million and the application of the net proceeds therefrom, and (vi) this offering of 5,750,000 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, 2004. The pro forma as adjusted balance sheet data as of December 31, 2004 reflects this offering, the Sprint transaction and related financings, and the ForeSite 2005 and Triton acquisitions as if they had occurred on December 31, 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.

Following a statement issued by the staff of the Office of the Chief Accountant of the Securities and Exchange Commission, or SEC, on February 7, 2005 clarifying certain issues related to lease accounting, we announced that we would change our accounting with respect to certain types of leases. In March 2005, we restated our financial statements for the two months ended December 31, 2002, the fiscal year ended December 31, 2003 and the first three fiscal quarters of 2004 for errors in our lease accounting with respect to certain types of leases and related long-lived assets. These restatements were reflected in our annual report on Form 10-K for the year ended December 31, 2004.

In March 2005, our independent registered public accounting firm informed the audit committee of our board of directors that, as a part of their audit of our financial statements and primarily as a result of the restatement,

they were notifying the Audit Committee of a material weakness related to the design or operation of the internal control components over our accounting for leases and depreciation of leasehold improvements. We have started to take corrective actions to remedy this internal control deficiency.

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

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financial statements, our consolidated financial statements, our pro forma condensed consolidated financial statements, Tower Ventures', ForeSite 2005's, Lattice's, Didier Communications', Towers of Texas', Triton's and the Sprint Site USA's statements of revenue and certain expenses, and each of their related notes included elsewhere in this prospectus.

	Predecessor Company	Successor Company			
	Ten Months Ended October 31, 2002	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Pro Forma As Adjusted Year Ended December 31, 2004
	(dollars in thousands)	(dollars in thousands)			
Statements of Operations Data: (1)					
Revenues	$ 137,435	$ 27,454	$ 166,670	$ 182,865	$
Direct site operating expenses (excluding impairment losses, depreciation, amortization and accretion expense)	46,570	9,028	56,572	57,462	
Gross margin	90,865	18,426	110,098	125,403	
Other expenses:					
Selling, general and administrative	27,523	4,743	26,914	23,410	
State franchise, excise and minimum taxes	1,671	330	848	69	
Depreciation, amortization and accretion (2)	73,508	10,119	47,137	54,288	
Non-cash stock-based compensation expense	—	—	1,479	4,235	
Impairment loss on assets	5,559	—	—	—	
Reorganization costs	59,124	—	—	—	
Total operating expenses	167,385	15,192	76,378	82,002	
Operating income (loss)	(76,520)	3,234	33,720	43,401	

Gain (loss) on extinguishment of debt	404,838	—	—	(9,018)	
Interest expense, net.	45,720	4,041	20,477	27,529	
Income (loss) from continuing operations	288,326	(910)	14,018	6,637	$
Income (loss) from discontinued operations	(32,076)	(84)	(131)	111	
Income (loss) before gain (loss) on sale of properties	256,250	(994)	13,887	6,748	
Gain (loss) on sale of properties	(78)	(2)	(726)	124	
Net income (loss)	$ 256,172	$ (996)	$ 13,161	$ 6,872	
Net income (loss) per share (basic)	$ 5.27	$ (0.02)	$ 0.32	$ 0.15	$
Net income (loss) per share (diluted)	$ 5.27	$ (0.02)	$ 0.32	$ 0.14	$
Statements of Cash Flows Data:					
Net cash flows provided by operating activities	$ 20,869	$ 7,193	$ 59,218	$ 83,546	$
Net cash flows used in investing activities	(3,920)	(727)	(36,181)	(447,734)	
Net cash flows provided by (used in) financing activities	(22,102)	(9,626)	(17,840)	361,449	

	Predecessor Company	Successor Company			
					Pro Forma As Adjusted
	October 31, 2002	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2004
	(dollars in thousands)	(dollars in thousands)			
Balance Sheet Data:					
Cash and cash equivalents	$ 21,819	$ 4,350	$ 9,661	$ 5,991	$
Total assets	909,098	528,066	519,967	923,369	
Total debt	491,473	277,844	264,251	706,920	
Stockholders' equity	354,917	204,330	217,531	153,197	

Predecessor Company	Successor Company			
Ten Months Ended	Two Months Ended	Year Ended December 31,	Year Ended December 31,	Pro Forma As Adjusted

	October 31, 2002	December 31, 2002	2003	2004	Year Ended December 31, 2004
	(dollars in thousands)		(dollars in thousands)		
Other Data:					
Adjusted EBITDA (3)	$ (31,185)	$ 13,229	$ 81,625	$ 102,365	$
Adjusted FFO (AFFO)(4)	$ (72,877)	$ 7,999	$ 60,130	$ 71,780	$
Number of communications sites at end of period	3,481	3,480	3,276	4,060	11,016

(1)During the ten months ended October 31, 2002, the two months ended December 31, 2002 and the years ended December 31, 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 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)Adjusted EBITDA is a non-GAAP measure. 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, amortization and accretion, gain or loss on extinguishment of debt and non-cash stock based compensation expense. 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.

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

	Predecessor Company	Successor Company			
	Ten Months Ended October 31, 2002	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Pro Forma As Adjusted Year Ended December 31, 2004
	(dollars in thousands)	(dollars in thousands)			
Net income	$ 256,172	$ (996)	$ 13,161	$ 6,872	$
Depreciation, amortization and accretion	76,956	10,165	47,173	54,370	
Interest, net	45,720	4,041	20,477	27,529	
Income tax expense (benefit)	(5,195)	19	(665)	341	
Loss (gain) on early extinguishment of debt	(404,838)	—	—	9,018	
Non-cash stock based compensation	—	—	1,479	4,235	
Adjusted EBITDA	$ (31,185)	$ 13,229	$ 81,625	$ 102,365	$

Footnotes continue on next page

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(4) Adjusted Funds From Operations, or AFFO, is a non-GAAP Measure. 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			
	Ten Months Ended October 31, 2003	Two Months Ended December 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Pro Forma As Adjusted Year Ended December 31, 2004
	(dollars in thousands)	(dollars in thousands)			
Net income	$ 256,172	$ (996)	$ 13,161	$ 6,872	$
Real estate depreciation, amortization and accretion	75,613	8,993	44,764	52,286	
(Gain) loss on sale of properties	176	2	726	(631)	
Loss (gain) on early extinguishment of debt	(404,838)	—	—	9,018	
Non-cash stock based compensation	—	—	1,479	4,235	
Adjusted funds from operations	$ (72,877)	$ 7,999	$ 60,130	$ 71,780	$

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 emerged from Chapter 11 bankruptcy reorganization in November 2002, have a history of losses and do not expect to be able to maintain positive net income.

We emerged from Chapter 11 bankruptcy reorganization in November 2002, have a history of losses and may not be able to maintain profitability. 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, 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.

On February 14, 2005, we, Sprint and certain Sprint subsidiaries entered into the Agreement to Lease. Under the Agreement to Lease, we have agreed to lease or, if certain consents have not been obtained, operate, for a period of 32 years over 6,600 wireless communications tower sites and related tower assets for an upfront rental payment of approximately $1.2 billion. We expect to account for the Sprint transaction as a capital lease and will allocate the upfront rental payment to the leased assets (primarily towers and identifiable intangible assets) based on their fair market values similar to an acquisition of tower assets. We will depreciate and amortize the tangible and intangible assets over their estimated useful lives and as a result we will incur significant additional depreciation, amortization and accretion expense. We also expect to finance the Sprint transaction in part with borrowings under an $850.0 million bridge loan. This will result in our incurring significant additional interest expense. We also expect to incur significant integration costs and additional selling, general and administrative expenses. Because of the significant interest expense, depreciation, amortization, accretion, integration costs and selling, general and administrative expenses, we expect to incur in connection with the Sprint transaction, we expect to generate net losses after the closing of the Sprint transaction.

For the year ended December 31, 2004, we generated net income of $6.9 million. However, on a pro forma basis as adjusted, after giving effect to the Sprint transaction and the other transactions described in the pro forma financial statements included elsewhere in this document, for the year ended December 31, 2004, we would have incurred a net loss of $ million.

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 in the United States or GAAP. 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.

Failure to close the Sprint transaction could negatively impact our stock price and financial results and subject us to a forfeiture of our $50.0 million deposit.

On February 14, 2005 we entered into a definitive agreement with Sprint under which we will have the exclusive right to lease or operate more than 6,600 wireless communications towers and related assets of Sprint for a period of 32 years for an upfront rental payment of approximately $1.2 billion subject to certain conditions, adjustments and prorations. The Sprint transaction is expected to close toward the end of the second quarter of 2005. We expect to use $137.0 million of the net proceeds from this offering, including the repayment of $55.0 million of borrowings under our Revolving Credit Facility, $850.0 million of bridge financing and up to $250.0 million of the investment under the Investment Agreement to pay the upfront rental payment and the costs and expenses in connection with the closing of the Sprint transaction. If we are not successful in timely closing the bridge financing or the investment under the Investment Agreement or various conditions to the Sprint transactions are not satisfied, we may be unable to close the Sprint transaction. If the Sprint transaction is not closed for these or other reasons, our financial results may be adversely affected and we will be subject to several risks, including the following:

- forfeiting, under certain circumstances, our $50.0 million deposit currently held in escrow;
- having to pay and expense certain significant costs relating to the Sprint transaction, such as legal, accounting and financial advisory without realizing any of the benefits of having the transactions completed;
- the focus of our management having been spent on the Sprint transaction instead of on pursuing other opportunities that could have been beneficial to us, without realizing any of the benefits of having the transaction completed;
- immediate recognition in our financial statements and settlement of any potential losses on $850.0 million notional value of interest rate swap agreements.

These risks could materially affect our financial results and stock price.

We may encounter difficulties in acquiring towers at attractive prices, closing the Sprint transaction or integrating acquisitions with our operations, which could limit our revenue growth and increase our expected net losses.

Since the beginning of our acquisition program on December 1, 2003 through April 18, 2005, we have acquired 1,024 communications sites for an aggregate purchase price of approximately $428.1 million, including fees and expenses. On February 14, 2005 we entered into a definitive agreement with Sprint under which we will have the exclusive right to lease or operate more than 6,600 wireless communications towers and related assets of Sprint for a period of 32 years for an upfront payment of approximately $1.2 billion subject to certain conditions, adjustments and prorations. In addition, as of April 18, 2005, we have executed definitive agreements to acquire an additional 343 communications sites and to acquire fee interest or long-term easements under an additional 10 communications towers, for an aggregate purchase price of approximately $91.3 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

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require us to incur additional indebtedness and contingent liabilities, and may result in unforeseen expenses or compliance issues, which may limit our revenue growth, cash flows, and our ability to maintain profitability and make distributions. For example, in connection with the Sprint transaction we received a letter from Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC, affiliates of the representatives of the underwriters, setting forth the terms on which they would provide bridge financing of approximately $750.0 million to us for use in funding the Sprint transaction. On March 10, 2005, we executed a non-binding term sheet with Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC increasing the amount of bridge financing up to $850.0 million. Additionally, these acquisitions may be financed through the issuance of additional equity, which would dilute the interests of our stockholders. For example, on February 14, 2005, in connection with the execution of the Sprint transaction, we entered into an Investment Agreement with our three largest stockholders or certain of their affiliates pursuant to which we will issue up to $500.0 million of our common stock to them at a price of $25.50 per share. In addition, we expect to use the proceeds from this offering to pay for a portion of the upfront rental payment in connection with the Sprint transaction. 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 or that competition for the acquisition of towers will not increase. 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.

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

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 financial position 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 financial position.

Failure to successfully and efficiently integrate the Sprint transaction or other transactions into our operations may adversely affect our operations and financial conditions.

Our ability to successfully integrate the Sprint transaction is uncertain. The Sprint transaction is significantly larger than any acquisition we have completed to date. There are more Sprint Towers than the number of communications sites we currently operate. The integration of over 6,600 Sprint Towers

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into our operations will be a significant undertaking and will require significant attention from our management team. We expect to add over 100 additional employees to our operations which will increase our labor costs. In addition, the integration of the Sprint Towers into our operations will require significant one-time costs for tasks such as tower visits and audits, and ground and tenant lease verifications. Additional integration challenges include:

- transitioning all data related to the Sprint Towers, tenants and landlords to a common information technology system;
- successfully marketing space on the Sprint Towers;
- successfully transitioning the ground lease rent payment and the tenant billing and collection processes;
- retaining existing customers;
- hiring, retaining and integrating talented new employees;
- incorporating new towers into our business operations; and
- maintaining our standards, controls, procedures, and policies.

If we are not able to successfully overcome these integration challenges, we may not achieve the benefits we expect from the Sprint transaction or other transactions, and our business, financial condition and results of operations will be adversely affected.

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

The revenues generated by our sites could be adversely affected by the conditions of the economies, the real estate markets and the wireless communications industries in regions where our sites are located, changes in governmental rules and fiscal policies, acts of nature including hurricanes (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 year ended December 31, 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. On December 15, 2004, Sprint announced it agreed to merge with Nextel Communications. On January 10, 2005, ALLTEL announced its agreement to purchase Western Wireless. Furthermore, on March 29, 2005, MCI, the parent of Skytel paging company, accepted a revised takeover offer from Verizon Communications Inc., a joint owner of Verizon Wireless. As of December 31, 2004, 65 of the Sprint Towers were occupied by Cingular and 858 of the Sprint Towers were occupied by both Sprint and Nextel Communications. 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 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 services (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 the 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, or bankruptcy of or default, by significant tenants. Our tenant leases are generally not guaranteed by the parent companies of our tenants or supported by other credit enhancement and, as a result, we must rely solely on the credit worthiness of our tenants. Many wireless service providers operate with substantial leverage and some of our

customers, representing 0.5% of our revenues for the year ended December 31, 2004, are in bankruptcy. Other customers are having financial difficulties due to their declining subscriber bases and/or 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 50.0% of our revenues for the year ended December 31, 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), Sprint (after giving effect to its pending merger with Nextel Communications), Verizon Wireless and T-Mobile. These customers represented 15.0%, 12.6%, 11.5%, 6.0% and 4.9%, respectively, of our revenues for the year ended December 31, 2004. On a pro forma basis, after considering the Sprint transaction, our largest customer for the year ended December 31, 2004 would have been Sprint representing 31.1% of our pro forma revenues (without giving effect to its pending merger with Nextel Communications). 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 expiring in May 2005. Excluding the Arch Wireless lease, which represented 10.3% of our revenues for the year ended December 31, 2004, as of December 31, 2004, approximately 53.1% of our revenues for the year ended December 31, 2004 from these customers were from leases in their initial term, 42.8% were from leases in a renewal period, and 4.1% were from month-to-month leases. Arch Wireless reorganized under Chapter 11 in late 2001 and exited bankruptcy in May 2002 and has significantly reduced its

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utilization of our sites in recent years. The loss of one or more of our major customers or a reduction in their utilization of our site space could result in a material reduction of the utilization of our site space and in our revenues.

We believe that it is likely that a master lease with our largest customer will be renewed or extended on significantly less favorable terms and rates.

On November 16, 2004, Arch Wireless merged with Metrocall to form USA Mobility, which collectively accounted for 15.0% of our revenues for 2004. One of our primary master tenant leases with USA Mobility, the Arch Lease, expires in May 2005. The Arch Lease allows Arch Wireless, one of the two companies that merged to form USA Mobility, to locate a fixed number of transmitters on any of our sites for a fixed minimum rate. The number of sites that Arch Wireless currently occupies is significantly less than the maximum number of sites allowable under the current contract for the fixed minimum rate. Consequently, we believe that it is likely that the Arch Lease will be renewed or extended on terms and rates that are significantly less favorable to us than those currently in place. As a result, we expect our revenues from any renewal of the Arch lease to be significantly lower starting in June 2005.

We have had material weaknesses in our internal controls and these may not have been remedied, or other internal control weaknesses could exist.

Primarily due to our recent restatement of our previously issued financial statements due to the changes in lease accounting affecting all tower companies and many other public companies, we received a letter setting forth a "material weakness" from our independent registered public accounting firm, as part of their audit of our financial

statements. While we were not required to obtain an attestation with regard to our internal controls over financial reporting for the 2004 fiscal year, as set forth in section 404 of the Sarbanes Oxley Act of 2002, this would have been a material weakness under those definitions, as well. We have taken steps to improve our internal controls, however, additional steps may be required to improve our internal controls, and these may be both time consuming and costly. Additionally, there can be no assurance that we, or our independent registered public accouting firm, may not discover other material weaknesses during the assessment of our internal controls for 2005 that will be difficult to remediate timely, hence affecting the conclusion about the design and/or effectiveness of our controls for 2005.

As of December 31, 2004, our tenant leases had a weighted average current term of approximately 5.3 years and had a weighted average remaining term of 2.9 years excluding optional renewal periods. Our revenues depend on the renewal of our tenant leases by our customers.

Our tenant leases had a weighted average current term of approximately 5.3 years, as of December 31, 2004, and had a weighted average remaining term of 2.9 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 significantly fewer sites than the maximum number of sites allowable under the current contract for a fixed minimum rate. Consequently, we believe that it is likely that the Arch Lease will be renewed or extended on terms and rates that are significantly lower and less favorable to us than currently in place. 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 recently implemented 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 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 treasury and purchasing during the coming months. On March 4, 2005, we also implemented a separate software package, manageStar, to manage our

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communications sites, tenant and ground leases and records. The integration of these software systems with our business was a significant project, and we may encounter difficulties with these integrations 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:

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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 alternative 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 or high altitude air ships, 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 antennae", 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 their competitors which allow them to utilize one another's wireless communications facilities to accommodate customers who are out of range

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of their home providers' services, so that the home providers do not need to lease space for their own antennae 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 and our ability to attract additional customers and may negatively affect our profitability.

We may be unable to modify our towers or procure additional ground space, which could harm our ability to add additional site space to our communications sites 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, procure additional ground space and add new customers as they expand their tower network infrastructure. Regulatory and other barriers could adversely affect our ability to modify towers or procure additional ground space 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, procure additional ground space and add new customers to towers may be affected by a number of factors beyond our control, including zoning and local permitting requirements, FAA considerations, FCC tower registration and radio frequency emission procedures and requirements, historic preservation and environmental requirements, availability of tower components, additional ground space 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 or procure additional ground space 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 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 issuances 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 equity or 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 which would be June 6, 2005. As of April 18, 2005, the site acquisition reserve account had a balance of $15.2 million which we expect to use to partially fund the ForeSite 2005 acquisition and other pending acquisitions.

In addition, in connection with the Sprint transaction we executed a non-binding term sheet for bridge financing of approximately $850.0 million with a one-year term and two six-month renewal options. Furthermore, the proposed acquisition credit facility will be due 364 days from the date we finalize the agreement and will need to be refinanced. We intend to refinance the bridge loan and the proposed acquisition credit facility with one or more mortgage loans in the future. If we are unable to refinance the loans or refinance on favorable terms it will have an adverse affect on our financial condition.

Repayment of the principal of our outstanding indebtedness (including repayment of our proposed acquisition credit facility and our proposed bridge facility to finance a portion of the upfront rental payment due in connection with the Sprint transaction) will require additional financing that we cannot ensure 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 December 31, 2004, our long-term debt obligations consisted of $411.9 million outstanding on our February 2004 mortgage loan, $293.8 million outstanding on our December 2004 mortgage loan and $1.2 million outstanding on a capital lease. In addition, in connection with the Sprint transaction, we executed a non-binding term sheet with Morgan Stanley Asset Funding Inc., Bank of America, N.A. and Banc of America Securities LLC, affiliates of the representatives of the underwriters, setting forth the terms on which they would provide bridge financing of up to $850.0 million to us for use in funding the Sprint transaction. We are also in the process of negotiating a 364-day $200.0 million proposed acquisition credit facility to provide funding for the acquisition of additional communication sites. Of the outstanding obligations at December 31, 2004, $8.3 million is due in less than one year, $17.9 million is due between one and three years and $680.8 million is due between four and five years based on anticipated maturities on our February 2004 mortgage loan. If we are able to consummate the Sprint transaction and close on the bridge financing, the bridge loan will be due in 24 months, assuming we exercise our two six-month options to extend. In addition, the proposed acquisition credit facility will be due 364 days from the date we finalize the agreement. We currently anticipate that in order to pay the principal of our outstanding February 2004 and December 2004 mortgage loans on the anticipated repayment date of January 2009 and the maturity date of December 2009, respectively, we will likely be required to pursue 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 common stock in this offering may have their holdings 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 at all. 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 Pinnacle Towers Acquisition LLC, and their respective subsidiaries, from 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 we incur any unsecured indebtedness for borrowed money without confirmation from the rating agencies that rated the commercial mortgage pass-through certificates issued in connection with the February 2004 mortgage loan 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 having 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. In addition, we expect that we will need to refinance our $200.0 million proposed acquisition credit facility and our $850.0 million bridge loan. 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.

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 Federal Aviation Administration, or FAA, regulate towers and other sites used for wireless communications transmitters and receivers. See the section entitled "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 require us to prepare and file an environmental impact statement with it. The environmental review process mandated by the National Environmental Policy Act of 1969, or NEPA, can be costly and may cause significant delays in the registration of a particular tower or collocating an antenna. 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. 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 various federal, state and local 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, and the amount of protection that we may receive from sellers with respect to liabilities arising before our ownership of the asset varies based on the terms of the applicable purchase agreement. The terms of the purchase

agreements themselves often depend upon the nature of the sale process, price paid and the amount of competition for the asset. 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 the section entitled "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, secure financing 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 December 31, 2004, we leased 100 parcels of land with a remaining term of two years or less, under 101 owned towers which represented 3.2% of revenues for the year ended December 31, 2004. As of December 31, 2004, substantially all the communications sites we expect to acquire under the Sprint transaction, and Triton and ForeSite 2005 acquisitions are on leased land and 110 of those land parcels have remaining lease terms of two years or less.

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. Furthermore, the protections we are able to obtain in the purchase agreements vary and often depend upon the nature of the sale process, price paid and the amount of competition for the asset.

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 or economic value of a particular tower;
- in the absence of title insurance coverage, recover under title warranties given by tower sellers, which warranties often terminate after the expiration of a specific period (typically one to three years), contain various exceptions and are dependent on the general creditworthiness of sellers making the title warranties;
- obtain estoppels from landlords in connection with acquisitions of communications sites, which protect the collateral of our lenders and may provide a basis for defending post-closing claims arising from pre-closing events;

• 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 mortgagee 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 807 sites, as of December 31, 2004 (representing approximately 17.8% of our revenues for the year ended December 31, 2004), are managed sites where we market and/or sublease space under site management agreements with third party owners. The management agreements or subleases on 302 of these sites, which represented 5.3% of our revenues for the year ended December 31, 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 December 31, 2004, we own, lease and license a large number of towers in geographic areas, including 226 sites in California, 369 sites in Florida, 141 sites in North Carolina and 175 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 will 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, changes in laws could impact our ability to repair or replace damaged towers.

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.

The terms of our mortgage loans, revolving credit facility, proposed acquisition credit facility and the Sprint Agreement to Lease 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, including indebtedness entered into in connection with the Sprint transaction, 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;
- transfer all or substantially all of our assets or enter into certain merger or consolidation transactions; and
- pay dividends.

Our February 2004 and December 2004 mortgage loans contain a covenant requiring 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 revenues. 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. Any decline in our revenues could have an adverse impact on our net cash flow.

A failure by us to comply with the covenants or financial ratios contained in our Revolving Credit Agreement could result in an event of default under the agreement 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 Revolving Credit Agreement, including pursuant to a change in control of us, 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 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.

The Revolving Credit Agreement continues to be guaranteed by us, Global Signal GP, LLC and certain subsidiaries of Global Signal OP. 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, a pledge by us and Global Signal GP, LLC of our interests in Global Signal OP and a pledge by us of 65% of our interest in our Canadian subsidiary. As of December 31, 2004, the pledged interests in the United Kingdom and Canadian subsidiaries collectively constituted 1.0% of our total assets' book value.

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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 a portion of 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 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 failure to comply with the covenants or obligations in the Sprint Agreement to Lease, including our obligation to timely pay ground lease rent, could result in an event of default under this master lease. Subject to arbitration and cure rights, in the event of an uncured default under a ground lease, the Sprint entity lessors may terminate the master lease as to the applicable ground lease site. In the event of an uncured default with respect to more than 20% of the sites within any rolling five-year period, the Sprint entity lessors will have the right to terminate the entire master

lease under certain circumstances. If the Sprint entity lessors terminate the master lease with respect to all of or a significant number of tower sites, our results of operations could be materially adversely affected.

In addition, the Revolving Credit Facility and the proposed acquisition credit facility each provide that it is an event of default if certain of our present larger shareholders or their affiliates cease to collectively own or control, in certain limited circumstances, at least 51% of the voting interest in our capital stock or if, within any 12 month period, a majority of the members of the board of directors cease to be those persons who were directors as of the first day of that period, or persons whose nomination or election was approved by the board members as of the first day of that period (excluding in the latter case any person whose initial nomination or assumption occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than board of directors).

It is also an event of default under the Revolving Credit Facility and the proposed acquisition credit facility if, at any time, Wesley R. Edens, or a replacement who is acceptable to our lenders, ceases to be Chairman of our board of directors, unless a replacement Chairman is appointed, or, if a replacement Chairman has not been appointed, all of the obligations under the Revolving Credit Facility or the proposed acquisition credit facility, as applicable, have been paid in full, within thirty days.

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 o