Globalstar, Inc.
Form S-4/A
March 19, 2008
As filed with the Securities and Exchange Commission on March 19, 2008

Registration No. 333-148938

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

GLOBALSTAR, INC.

(Exact name of registrant as specified in its charter)

Delaware	**4899**	**41-2116508**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

461 South Milpitas Boulevard

Milpitas, California 95035

(408) 933-4000

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

Fuad Ahmad

Vice President and Chief Financial Officer

Globalstar, Inc.

461 South Milpitas Boulevard

Milpitas, California 95035

(408) 933-4000

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

Copies to:

Gerald S. Greenberg	**Avi Katz**
Taft Stettinius & Hollister LLP	**Loral Space & Communications Inc.**
425 Walnut Street	**600 Third Avenue, 36th Floor**
Suite 1800	**New York, New York 10016**
Cincinnati, Ohio 45202	
Tel: (513) 357-9670	**Tel: (212) 338-5340**

Approximate date of commencement of proposed sale of securities to the public: As soon as practicable following the effectiveness of this Registration Statement and the consummation of the purchase of Partnership Interests as described in the Partnership Interest Purchase Agreement, dated as of December 21, 2007 and filed as Exhibit 2.1 to the Registration Statement on Form S-4 filed January 30, 2008.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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. o

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. o

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 that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement will 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. Globalstar 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 Globalstar is not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated March 19, 2008

PROSPECTUS

The board of directors of Globalstar, Inc. (Globalstar) and the general and limited partners of Loral/DASA Globalstar, L.P. (LDG) have approved a partnership interest purchase agreement dated as of December 21, 2007 (the purchase agreement) under which Globalstar will acquire all of the outstanding partnership interests of LDG. Pursuant to the agreement, Globalstar will deliver to Loral Space & Communications Inc. (Loral Space), the parent of the general partner of LDG, as payment for such partnership interests, Globalstar common stock valued at $6.5 million minus certain outstanding service fees owed by LDG to Globalstar. The number of shares of Globalstar common stock to be received by Loral Space will be determined by dividing $6.5 million, as adjusted for the outstanding service fees, by the average of the closing price per share of Globalstar common stock as reported by the Nasdaq Stock Market for the 10 trading-day period ending upon the trading day immediately preceding the third trading day prior to the closing of the transaction.

Because all of the partners of LDG have already approved the agreement, no vote is required. No vote is required on the part of Globalstar stockholders in connection with the purchase.

Globalstar is not asking you for a proxy and you are requested not to send Globalstar a proxy.

Please see Risk Factors beginning on page 10 for a discussion of matters relating to holding Globalstar common stock.

Globalstar common stock is quoted on The Nasdaq Global Select Market under the symbol GSAT. On March 18, 2008, the last trading date before the printing of this prospectus, the last reported sale price per share of Globalstar common stock on the Nasdaq Stock Market was $6.95.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this prospectus or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a

criminal offense.

The date of this prospectus is March , 2008.

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IMPORTANT

This document, which is referred to as the prospectus, constitutes a prospectus of Globalstar for the shares of common stock that Globalstar will issue to Loral Space pursuant to the purchase agreement. As permitted under the rules of the U.S. Securities and Exchange Commission (the SEC), this prospectus incorporates by reference important business and financial information about Globalstar contained in documents filed with the SEC and that is not included in or delivered with this prospectus. You may obtain copies of these documents, free of charge, from the website maintained by the SEC at *www.sec.gov*. See Where You Can Find More Information on page 36. You may also obtain copies of these documents, without charge, from Globalstar by writing or calling Globalstar at 461 S. Milpitas Boulevard, Milpitas, California, telephone (408) 933-4006, Attn: Investor Relations.

In order to obtain delivery of these documents before the closing of the transaction, you should request such documents no later than March 21, 2008.

In Questions and Answers about the Transaction below and in the Summary beginning on page 3, Globalstar highlights selected information from this prospectus but the company has not included all of the information that may be important to you. To better understand the purchase agreement and the transaction, and for a complete description of their legal terms, you should read carefully this entire prospectus, including the annexes, as well as the documents that Globalstar has incorporated by reference into this document. See Where You Can Find More Information on page 36.

QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

Q: WHAT IS THE PROPOSED TRANSACTION?

A: On December 21, 2007, Globalstar, GSSI, LLC, LDG, Loral Space, and various subsidiaries and affiliated entities of LDG entered into a partnership interest purchase agreement. Under the purchase agreement, subject to the satisfaction of certain conditions, GSSI, LLC, a wholly-owned subsidiary of Globalstar, will acquire all of the general and limited partnership interests of LDG. Under the terms of the purchase agreement, Loral Space, the parent of the general partner of LDG, will receive total consideration consisting of shares of Globalstar common stock valued at $6.5 million, subject to adjustment as described below.

The stock consideration will be the aggregate number of shares of Globalstar common stock equal to the quotient of $6.5 million minus any outstanding service fees owed by LDG to Globalstar, divided by the average of the closing price per share of Globalstar common stock on The Nasdaq Global Select Market for the 10 trading-day period ending on the trading day immediately preceding the third trading day prior to closing. All partnership interests of LDG outstanding at the closing date will be transferred to GSSI.

The purchase agreement is included as an exhibit to the registration statement of which in this prospectus forms a part. The purchase agreement is the legal document that governs the transaction.

Q: WHY ARE THE COMPANIES PROPOSING THIS TRANSACTION?

A: The Globalstar satellite network was originally owned by Globalstar, L.P. (Old Globalstar) and was designed, built and launched in the late 1990s by a technology partnership led by Loral Space & Communications Ltd., now Loral Space. Subsidiaries of Loral Space have owned and operated Globalstar gateways and sold Globalstar products and services as independent gateway operators in Brazil, Mexico, and Russia since Old Globalstar began service in 2000.

In December 2000, in connection with financial difficulties then being experienced by Old Globalstar, Loral Space wrote off its investments in its Globalstar-related operations. Following Loral Space s emergence from its own reorganization in 2005, Loral Space has decided to focus on its core and strategic businesses which are satellite manufacturing and fixed satellite services. The Globalstar service provider business is no longer a core or strategic business for Loral Space, and Loral Space believes that without further significant investment, which Loral is unwilling to make, the business will not achieve profitability. By divesting the Globalstar service provider business in Brazil, Loral Space expects to avoid further losses attributable to the business as well as allow its management to focus on its core and strategic businesses without diversion of time, effort and expense in managing non-core, non-strategic businesses. DASA, a passive, limited partner investor in the Globalstar Brazil business, like Loral Space, also viewed its investment as non-core and non-strategic, has determined that DASA would not invest further in the business and, therefore, has decided to divest its interest in the business. To review Loral Space s and LDG s reasons for the transaction, please see The Purchase Loral Space s and LDG s Reasons for the Transaction beginning on page 14.

Globalstar s acquisition of LDG and its subsidiaries is consistent with its strategy of acquiring independent gateway operators. Globalstar believes it will be able to devote more resources to grow LDG s subscriber base and revenue faster. To review Globalstar s reasons for the transaction, please see The Partnership Interest Purchase Globalstar s Reasons for the Transaction beginning on page 15.

Q: WHO NEEDS TO APPROVE THE TRANSACTION?

A: The purchase agreement has already been adopted and approved by partners holding all of LDG s outstanding partnership interests. No additional vote is required. Globalstar is not asking for a proxy, and you are requested not to send Globalstar a proxy.

Globalstar s Board of Directors also has approved the purchase agreement and the issuance of the common stock consideration.

Q: WHAT DO I NEED TO DO NOW?

A: Nothing, other than carefully reading the information contained in this prospectus.

Q: DO THE PARTNERS HAVE DISSENTER S RIGHTS OR APPRAISAL RIGHTS?

A: No. Under the Delaware Revised Uniform Limited Partnership Act, there are no statutory appraisal or dissenter s rights. LDG s partnership agreement contains no such provisions. Accordingly, no partner of LDG may exercise any dissenter s rights or appraisal rights in connection with the transaction.

Q: WILL LORAL SPACE BE ABLE TO TRADE GLOBALSTAR COMMON STOCK THAT IT RECEIVES PURSUANT TO THE TRANSACTION?

A: Yes. Globalstar common stock issued pursuant to the purchase agreement will be registered under the Securities Act and will be quoted on The Nasdaq Global Select Market under the symbol GSAT. All shares of Globalstar common stock issued in the transaction will be freely transferable unless the seller of such securities is deemed an affiliate (for purposes of the federal securities laws) of Globalstar following the transaction. Affiliates of Globalstar may, however, be able to freely sell the shares they receive in the transaction, subject to certain volume and manner of sale limitations pursuant to Rule 144 under the Securities Act.

Q: WHEN DO YOU EXPECT THE TRANSACTION TO BE COMPLETED?

A: Closing of the transaction is subject to the satisfaction of a number of conditions, including receipt of applicable Brazilian regulatory approvals and the effectiveness of a registration statement on Form S-4, of which this prospectus forms a part. Globalstar currently anticipates closing the transaction by May 1, 2008.

Q: WHERE CAN I FIND MORE INFORMATION ABOUT GLOBALSTAR AND LORAL SPACE?

A: More information about Globalstar is available from sources described under Where You Can Find More Information on page 36. Additional information about Globalstar also may be obtained from its website at *www.globalstar.com*, and additional information about Loral Space may be obtained from its website at *www.loral.com*. Information on these websites is expressly not incorporated by reference into this prospectus.

Q: WHOM SHOULD I CONTACT IF I HAVE ADDITIONAL QUESTIONS?

A: If you have additional questions, please contact Globalstar at 461 S. Milpitas Boulevard, Milpitas, California 95035, telephone (408) 933-4006, Attn: Investor Relations.

Q: ARE THERE RISKS ASSOCIATED WITH THE TRANSACTION?

A: Yes. You should read carefully the section entitled Risk Factors beginning on page 10.

SUMMARY

This brief summary highlights selected information from this prospectus. It does not contain all of the information that may be important to you. You should read carefully this entire document and the other documents to which this prospectus refers you to fully understand the transaction. See Where You Can Find More Information on page 36. Each item in this summary refers to the page where that subject is discussed in more detail.

Information about Globalstar (see page 30)

Globalstar, Inc.
461 South Milpitas Boulevard
Milpitas, California 95035
(408) 933-4400

Globalstar, a Delaware corporation, is a leading provider of mobile voice and data communications services via satellite. Using satellites and ground stations, Globalstar offers its services in over 120 countries. In most of the world, Globalstar has authority to operate a wireless communications network via satellite over 27.85 MHz of radio spectrum, which is comprised of two blocks of contiguous global radio frequencies. In the United States, the U.S. Federal Communications Commission has authorized Globalstar to use 25.225 MHz.

At December 31, 2007, Globalstar served approximately 284,000 subscribers in the government; public safety and disaster relief; recreational and personal; maritime and fishing; oil and gas; natural resources, mining and forestry; construction; utilities; and transportation markets.

Information about LDG (see page 35)

Loral/DASA Globalstar, L.P.
600 Third Avenue
New York, New York 10016
(212) 697-1105

LDG, a Delaware limited partnership, owns, directly and through a Brazilian holding company, Globalstar do Brasil S.A. (GdB), the operating company that offers Globalstar products and services and operates three gateways in Brazil. At September 30, 2007, GdB served approximately 5,500 subscribers.

The Partnership Interest Purchase (see page 13)

At the closing date, GSSI, LLC, a wholly-owned subsidiary of Globalstar, will acquire all of the general partner and limited partner interests of LDG.

What Loral Space Will Receive in the Transaction **(see page** 11)

The stock consideration will be the aggregate number of shares of Globalstar common stock equal to the quotient of $6.5 million minus any outstanding service fees owed by LDG to Globalstar divided by the average of the closing price per share of Globalstar common stock on The Nasdaq Global Select Market for the 10 trading-day period ending on the trading day immediately preceding the third trading day before closing. By agreement of the LDG partners, Globalstar will pay all of the consideration directly to Loral Space, in consideration of the outstanding indebtedness owed by LDG and its subsidiaries to Loral Space and in consideration of Loral Space s agreement to indemnify Globalstar for various matters under the purchase agreement.

Dissenter s Rights or Appraisal Rights (see page 16)

The partners of LDG do not have dissenter s or appraisal rights. The two partners of LDG have approved the purchase of the partnership interests by Globalstar.

Regulatory Approvals (see page 16)

Consummation of the transaction is contingent upon the receipt of approvals from Brazil s Agência Nacional de Telecommunicacões (Anatel). The parties must also notify the Brazilian Administrative Council of Economic Defense (CADE). Issuance of a final ruling by CADE is not a condition to closing the transaction. The Anatel approval has been received, and the CADE notification has been completed. Globalstar also intends to make all required filings under the Securities Act and the Securities Exchange Act of 1934, as amended, relating to the transaction.

Interests of Directors/Partners and Executive Officers (see pages 19 and 34)

As of March 18, 2008, Globalstar s directors and executive officers beneficially owned an aggregate of 51,814,549 shares of Globalstar common stock, representing approximately 61.60% of Globalstar s outstanding common stock. As of September 30, 2007, LDG s partners owned 100% of the partnership interests of LDG. The general and limited partners of LDG have certain indemnification rights under the partnership agreement.

Material United States Federal Income Tax Consequences of the Transaction (see page 15)

The receipt of the transaction consideration in exchange for LDG partnership interests pursuant to the transaction will be a taxable transaction for United States federal income tax purposes. In general, a U.S. holder (as defined on page 15) who receives the transaction consideration in exchange for LDG partnership interests will recognize capital gain or loss for United States federal income tax purposes equal to the difference, if any, between (i) the fair market value of the Globalstar common stock and (ii) the holder s adjusted tax basis in the LDG partnership interests.

Holders of LDG partnership interests are urged to consult their tax advisors to determine the particular tax consequences to them (including the application and effect of any state, local or foreign income and other tax laws) of the transaction.

Accounting Treatment (see page 17)

Globalstar will account for the transaction under the purchase method of accounting in accordance with United States generally accepted accounting principles.

Selected Historical Financial Information of Globalstar

The following table presents Globalstar s selected historical consolidated financial information and other data for the period from January 1, 2003 through December 4, 2003, for the period from December 5, 2003 through December 31, 2003, for the years ended December 31, 2004, 2005, 2006 and 2007 and as of December 31, 2003, 2004, 2005, 2006 and 2007. The selected historical consolidated financial data of Old Globalstar for the period from January 1, 2003 through December 4, 2003 has been derived from the consolidated financial statements of Globalstar s predecessor (Old Globalstar). Globalstar s selected historical consolidated financial data for the period December 5, 2003 through December 31, 2003 and as of December 31, 2003 and 2004 has been derived from Globalstar s audited consolidated balance sheets as of those dates.

The column in the following tables entitled Predecessor contains financial information with respect to the business and operations of Old Globalstar for periods prior to December 5, 2003, the date on which Globalstar obtained control of its assets. The columns entitled Successor contain financial information with respect to Globalstar s business and operations after that date.

You should read the selected historical consolidated financial data set forth below together with Globalstar s consolidated financial statements and the related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations that are incorporated by reference in this prospectus. The selected historical consolidated financial data set forth below are not necessarily indicative of the results of future operations.

	Successor					Predecessor
	Year Ended December 31,				December 5 through December 31,	January 1 through December 4,
	2007	2006	2005	2004	2003	2003
	(Dollars in thousands, except per share data, average monthly revenue per unit and average monthly churn rate)					
Statement of Operations Data:						
Revenue:						
Service revenue	$ 78,313	$ 92,037	$ 81,472	$ 57,927	$ 2,387	$ 40,048
Subscriber equipment sales (1)	20,085	44,634	45,675	26,441	1,470	16,295
Total revenue	98,398	136,671	127,147	84,368	3,857	56,343
Operating Expenses:						
Cost of services (exclusive of depreciation and amortization shown separately below)	27,775	28,091	25,432	25,208	1,931	26,629
Cost of subscriber equipment sales (2)	13,863	40,396	38,742	23,399	635	12,881
Marketing, general and administrative	49,146	43,899	37,945	32,151	4,950	28,814
Restructuring				5,078	690	5,381
Depreciation and amortization	13,137	6,679	3,044	1,959	125	31,473
Impairment of assets	19,109	1,943	114	114		211,854
Total operating expenses	123,030	121,008	105,277	87,909	8,331	317,032
Operating Income (Loss)	(24,632)	15,663	21,870	(3,541)	(4,474)	(260,689)
Interest income	3,170	1,172	242	58	7	7
Interest expense (3)	(9,023)	(587)	(269)	(1,382)	(131)	(1,513)
Interest rate derivative loss	(3,232)	(2,716)				
Other	8,656	(3,980)	(622)	921	44	485
Total other income (expense)	(429)	(6,111)	(649)	(403)	(80)	(1,021)
Income (loss) before income taxes	(25,061)	9,552	21,221	(3,944)	(4,554)	(261,710)
Income tax expense (benefit)	2,864	(14,071)	2,502	(4,314)	(37)	170
Net Income (Loss)	$ (27,925)	$ 23,623	$ 18,719	$ 370	$ (4,517)	$ (261,880)

	Successor					Predecessor
		Year Ended December 31,			December 5 through December 31,	January 1 through December 4,
	2007	2006	2005	2004	2003	2003
	(Dollars in thousands, except per share data, average monthly revenue per unit and average monthly churn rate)					
Earnings (Loss) Per Share Data (4):						
Earnings (loss) per common share basic	$ (0.36)	$ 0.37	$ 0.30	$ 0.01	$ (0.08)	N/A
Earnings (loss) per common share diluted	$ (0.36)	$ 0.37	$ 0.30	$ 0.01	$ (0.08)	N/A
Weighted average shares basic	77,169,138	63,709,763	61,855,668	60,463,917	60,000,000	N/A
Weighted average shares diluted	77,169,138	64,076,182	61,955,874	60,463,917	60,000,000	N/A
Pro Forma C Corporation Data (5) (unaudited):						
Historical income before income taxes	N/A	N/A	$ 21,221	N/A	N/A	N/A
Pro forma income tax expense (benefit)	N/A	N/A	6,931	N/A	N/A	N/A
Pro forma net earnings	N/A	N/A	$ 14,290	N/A	N/A	N/A
Pro forma net earnings per share basic	N/A	N/A	$ 0.23	N/A	N/A	N/A
Pro forma net earnings per share diluted	N/A	N/A	$ 0.23	N/A	N/A	N/A
Weighted average shares basic	N/A	N/A	61,855,668	N/A	N/A	N/A
Weighted average shares diluted	N/A	N/A	61,955,874	N/A	N/A	N/A
Other Data (for the period) (unaudited):						
Average monthly revenue per unit (6)						
Retail	$ 46.26	$ 58.91	$ 68.10	$ 67.93	$ 62.90	$ 69.66
Number of subscribers	284,126	262,802	195,968	141,450	109,503	105,571
Average monthly churn rate (7)	1.75%	1.09%	1.27%	1.51%	1.18%	0.84%
EBITDA (8)	(2,839)	$ 18,362	$ 24,292	$ (661)	$ (4,305)	$ (228,731)
Capital expenditures	$ 169,989	$ 107,544	$ 9,885	$ 4,015	$ 10	$ 1,058

	Successor				
Balance Sheet Data:	As of December 31, 2007	As of December 31, 2006	As of December 31, 2005	As of December 31, 2004	As of December 31, 2003
	(In Thousands)				
Cash and cash equivalents	$ 37,554	$ 43,698	$ 20,270	$ 13,330	$ 20,026
Restricted cash (9)	$ 80,871	$ 52,581	$	$	$
Total assets	$ 512,975	$ 331,701	$ 113,545	$ 63,897	$ 48,214
Long-term debt (10)	$ 50,000	$ 417	$ 631	$ 3,278	$ 3,426,338
Redeemable common stock	$	$ 4,949	$	$	$
Ownership equity (deficit)	$ 405,544	$ 260,697	$ 71,430	$ 40,421	$ (3,415,195)

(1) Includes related party sales of $59, $3,423 and $440 for the years ended December 31, 2007, 2006 and 2005, respectively.

(2) Includes costs of related party sales of $46, $3,041 and $314 for the years ended December 31, 2007, 2006 and 2005, respectively.

(3) Includes related party amounts of $83 (year ended December 31, 2007), $0 (year ended December 31, 2006), $176 (year ended December 31, 2005), $1,324 (year ended December 31, 2004), $131 (December 5, 2003 December 31, 2003) and $337 (January 1, 2003 - December 4, 2003).

(4) Basic and diluted earnings (loss) per share have been calculated in accordance with SEC rules that require that the weighted average share calculation give retroactive effect to any changes in our capital structure. Therefore, weighted average shares for purposes of the basic and diluted earnings per share calculation has been adjusted to reflect the six-for-one stock split that occurred on October 25, 2006.

(5) Prior to January 1, 2006, we and Predecessor were treated as a partnership for federal income tax purposes. A partnership passes through essentially all taxable income and losses to its partners or members and does not pay federal income taxes at the partnership level. Historical income tax expense consists mainly of foreign, state and local income taxes. On January 1, 2006, we elected to be taxed as a C corporation. For comparative purposes, we have included a pro forma provision for income taxes

assuming we (or Predecessor) had been taxed as a C corporation for the year ended December 31, 2005. See Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Income Taxes and Note 9 to our consolidated financial statements.

(6) Average monthly revenue per unit measures service revenues per month divided by the average number of subscribers during that month. Average monthly revenue per unit as so defined may not be similar to average monthly revenue per unit as defined by other companies in our industry, is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that average monthly revenue per unit provides useful information concerning the appeal of our rate plans and service offerings and our performance in attracting and retaining high value customers.

(7) We define churn rate as the aggregate number of our retail subscribers (excluding Simplex customers and customers of the independent gateway operators) who cancel service during a month, divided by the average number of retail subscribers during the month. Others in our industry may calculate churn rate differently. Churn rate is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that churn rate provides useful information concerning customer satisfaction with our services and products.

(8) EBITDA represents earnings before interest, income taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to GAAP measurements, such as net income, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies.

We use EBITDA as the primary measurement of our operating performance because, by eliminating interest, taxes and the non-cash items of depreciation and amortization, we believe it best reflects changes across time in our performance, including the effects of pricing, cost control and other operational decisions. Our management uses EBITDA for planning purposes, including the preparation of our annual operating budget. We believe that EBITDA also is useful to investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of companies in industries similar to ours. As indicated, EBITDA does not include interest expense on borrowed money or depreciation expense on our capital assets or the payment of taxes, which are necessary elements of our operations. Because EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. Because of these limitations, management does not view EBITDA in isolation and also uses other measures, such as net income, revenues and operating profit, to measure operating performance.

The following is a reconciliation of EBITDA to net income (loss):

	Successor					Predecessor
	Year Ended December 31,				December 5 through December 31,	January 1 through December 4,
	2007	**2006**	**2005**	**2004**	**2003**	**2003**
	(In Thousands)					
Net income (loss)	$ (27,925)	$ 23,623	$ 18,719	$ 370	$ (4,517)	$ (261,880)
Interest expense (income), net (a)	9,085	2,131	27	1,324	124	1,506
Income tax expense (benefit) (b)	2,864	(14,071)	2,502	(4,314)	(37)	170
Depreciation and amortization	13,137	6,679	3,044	1,959	125	31,473
EBITDA	$ (2,839)	$ 18,362	$ 24,292	$ (661)	$ (4,305)	$ (228,731)

(a) Includes Interest expense (income) and interest rate derivative loss

(b) See Note 5 above.

The following table provides supplemental information as to unusual and other items that are reflected in EBITDA:

	Successor					Predecessor
	Year Ended December 31,				December 5 through December 31,	January 1 through December 4,
	2007	2006	2005	2004	2003	2003
	(In Thousands)					
Satellite failures(a)			$ 114	$ 114	$	$ 2,527
ELSACOM settlements(b)	$ 278	$ 396				$ 744
Pension adjustment(c)						$ 941
UT writeoff recovery(d)						$ (103)
Asset impairment(e)						$ 211,854
Restructuring (other)(f)				$ 5,078	$ 690	$ 5,381
Inventory write-down(g)	$ 19,109	$ 1,943				

(a) Represents a write-off for failed satellites.

(b) Represents a write-off in settlement of an overdue gateway receivable from an independent gateway operator and for a settlement over territorial coverage.

(c) Represents the benefit of pension and benefit adjustments.

(d) Represents the recovery of overdue accounts receivable previously written off.

(e) Represents an impairment charge related to allocation of the price we paid in the Reorganization for the assets and business of Old Globalstar.

(f) Represents costs relating to the restructuring of Old Globalstar that we assumed in the Reorganization.

(g) Represents a write-down of certain first generation product inventory for excess inventory.

(9) Restricted cash is comprised of funds held in escrow by a financial institution to secure our payment obligations related to our contract for the construction of the second-generation satellite constellation.

(10) Includes liabilities subject to compromise as of December 31, 2003 in the amount of $3,421,967.

Certain Historical Per Share Data

The following table lists the per share/partnership interest data of Globalstar and LDG, respectively, as of and for the year ended December 31, 2006, and as of and for the year ended December 31, 2007, in the case of Globalstar, and six months ended June 30, 2007 (indicates last available information), in the case of LDG.

	December 31, 2007 / June 30, 2007	December 31, 2006
Book Value Per Share/Partnership Interest		
Globalstar	$ 4.85	$ 3.58
	(as of December 31, 2007)	
LDG	$ 11,311.92	$ 11,457.75
	(as of June 30, 2007)	
Cash Dividends Per Share/Partnership Interest		
Globalstar		
LDG		
Earnings (Loss) Per Share/Partnership Interest		
Globalstar	$ (0.36)	$ 0.37
	(for year ended December 31, 2007)	
LDG	$ (145.83)	$ (502.80)
	(for six months ended June 30, 2007)	

Comparative Market Values of Globalstar and LDG Securities

Globalstar common stock began trading on The Nasdaq Global Select Market under the symbol GSAT on November 2, 2006. The following table shows the closing high and low sales prices per share for common stock for the periods indicated as reported by Nasdaq through March 18, 2008. As of March 18, 2007, there were 307 holders of record of Globalstar common stock.

	Price Range of Globalstar Common Stock	
Quarter Ended	**High**	**Low**
December 31, 2006	$ 17.52	$ 12.80
March 31, 2007	14.68	9.75
June 30, 2007	11.20	9.05
September 30, 2007	12.10	7.33
December 31, 2007	9.84	6.39
March 31, 2008 (through March 18, 2008)	9.05	6.52

On December 20, 2007, the last trading day before the announcement of the purchase agreement, the last reported sale price of Globalstar common stock on The Nasdaq Global Select Market was $9.10. On March 18, 2008, the most recent practicable date prior to the printing of this prospectus, the last reported sale price of Globalstar common stock on The Nasdaq Global Select Market was $6.95.

There is no public trading market for LDG securities.

RISK FACTORS

As a result of the transaction, LDG s business will be subject to the following new or increased risks related to Globalstar s other operations and the structure of the transaction. In addition to the risks described below, the combined company will continue to be subject to the risks described in the documents that Globalstar has filed with the SEC that are incorporated by reference into this prospectus. If any of the risks described below or in the documents incorporated by reference into this prospectus actually occur, the business, financial condition, results of operations or cash flows of the combined company could be materially adversely affected. The risks below should be considered along with the other information included or incorporated by reference into this prospectus.

Globalstar may not realize any benefits from the acquisition and may incur impairment charges if the acquisition is unsuccessful.

Globalstar and LDG entered into the purchase agreement with the expectation that the transaction will result in benefits to all parties, as described in The Partnership Interest Purchase beginning on page 13. Achieving the benefits of the transaction will depend in part on the successful integration of LDG s operations and personnel in a timely and efficient manner. The success of the acquisition may also be dependent on Globalstar contributing additional working capital to LDG and its subsidiaries, which may not be available. In addition, the integration is likely to require significant time and attention of Globalstar management that would otherwise be focused on other priorities and could negatively affect Globalstar s ability to operate LDG and to retain key employees after the acquisition. There is no assurance that LDG can be successfully integrated or that any of the anticipated benefit of the acquisition will be realized.

In addition, if Globalstar concludes in the future that the cash flow potential of the LDG assets is significantly less than Globalstar believed at the time of purchase, and that conclusion is based on a long-term rather than short-term trend, Globalstar may need to record an impairment charge. Globalstar cannot assure you that it will not incur impairment charges as a result of the transaction.

If Globalstar cannot maintain the subscriber base of the acquired business, many of the potential benefits of the acquisition may not be realized.

In order to obtain the benefits of the acquisition, Globalstar must maintain or increase the number of subscribers to its communications services in the Brazil service territory. Globalstar may be required to spend additional time and money on customer maintenance and acquisition which would otherwise be spent on developing new products or services. If Globalstar does not maintain or increase its subscriber base in Brazil or if it uses too many of its resources to do so, it could harm the combined company s business, financial condition and results of operations.

The market price of Globalstar common stock may decline as a result of the acquisition.

The market price of Globalstar common stock may decline as a result of the acquisition, including if the integration of LDG is unsuccessful or takes longer than expected, the perceived benefits of the transaction are not achieved as rapidly or to the extent anticipated by financial analysts or investors, or the effect of the transaction on Globalstar s financial results is not consistent with the expectations of financial analysts or investors. In addition, Globalstar s issuance of common stock as payment for the partnership interests will be dilutive to current stockholders. The ability of Loral Space to sell the Globalstar common stock received in the transaction may increase the volatility of and lower the price of Globalstar s common stock.

The acquisition of LDG may decrease Globalstar s liquidity.

Globalstar may be required to commit additional working capital to LDG and its subsidiaries. If Globalstar does so, its liquidity will decrease, which could adversely affect its ability to fund capital expenditures for its second-generation satellite constellation and related ground station upgrades.

The number of shares of common stock that Loral Space will receive in the transaction is subject to change.

The total number of shares of Globalstar common stock that Globalstar will issue in the acquisition will be determined by dividing $6.5 million (less an adjustment for outstanding service fees) by the average of the closing sales prices per share of Globalstar common stock as reported by The Nasdaq Global Select Market for the 10 trading-day period ending on the trading day immediately preceding the third trading day prior to the closing of the transaction. See The Partnership Interest Purchase

Consideration beginning on page 13. The number of shares of Globalstar common stock to be issued in the transaction is subject to fluctuation, in that the lesser the average closing price of Globalstar common stock during the 10-trading-day period, the more shares of Globalstar common stock that will be issued in the transaction, and the greater the average closing price, the fewer shares that will be issued. Changes in the market price of Globalstar common stock during the three trading days prior to, and the day of, the closing will not affect the number of shares to be issued in the transaction.

Loral Space will have substantively different rights with respect to its interests following the transaction.

Upon consummation of the transaction, Loral Space will become a stockholder of Globalstar, a public Delaware corporation. There are material differences between the rights of partners of a private partnership and the rights of stockholders of a public corporation. See Comparison of Stockholder and Partnership Rights beginning on page 25.

The acquisition is subject to the receipt of consents and approvals from various governmental entities, which may impose conditions on, jeopardize or delay completion of the acquisition or reduce the anticipated benefits of the acquisition.

Completion of the transaction is conditioned upon filings with, and the receipt of required consents, orders, approvals or clearances from, various Brazilian governmental entities, including the communications licensing agency. There can be no assurance that all of these required consents, orders, approvals and clearances will be obtained. If the required consents are obtained, at any time before or after the time that the transaction is effective under Delaware law, governmental entities may impose conditions on, or require divestitures relating to, the operations or assets of Globalstar and LDG. These conditions or divestitures may jeopardize or delay completion of the acquisition or reduce the anticipated benefits of the acquisition.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may include, without limitation, statements relating to:

- Globalstar s ability to integrate LDG s operations into Globalstar s operations;
- the expected completion date of the acquisition;
- the expected benefits of the acquisition to Globalstar s business;
- the acquisition s ability to provide Loral Space with liquidity through the receipt of registered Globalstar common stock; and
- Globalstar s expectations with regards to business, operations and financial effects of the acquisition.

These statements involve known and unknown risks, uncertainties, and other factors that may cause results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among others, those listed under Risk Factors and elsewhere in this prospectus and the documents incorporated by reference. In some cases, you can identify forward-looking statements by terminology such as may, will, should, intend, expect, plan, anticipate, believe, estimate, predict, potential, or continue or the negative of such terms or other comparabl

Globalstar cautions you not to place significant reliance on these forward-looking statements, which speak only as of the date of this prospectus or the date of the incorporated documents, as applicable, and Globalstar undertakes no obligation to update or revise these statements.

THE PARTNERSHIP INTEREST PURCHASE

The following discussion of the transaction is subject to and qualified in its entirety by reference to the purchase agreement, which is included in this prospectus as Annex A.

Structure of the Transaction

At the closing date, subject to the provisions of the purchase agreement, Loral Holdings LLC, the general partner of LDG, and Global DASA LLC, the limited partner of LDG, will sell and transfer all of their partnership interests in LDG to GSSI, LLC, a wholly-owned subsidiary of Globalstar. To comply with Brazilian law, certain entities affiliated with Loral Holdings and Global DASA own quotas of Loral/DASA do Brasil Holdings Ltda., a subsidiary of LDG. The holders of these quotas will assign them to GSSI as required by applicable Brazilian law without additional consideration. After the closing, GSSI will be the sole partner of LDG and will control the Globalstar gateway locations and operations at three locations in Brazil.

Consideration

As aggregate consideration for the transaction, Globalstar will issue to Loral Space Globalstar common stock valued at $6.5 million minus certain outstanding service fees owed by LDG to Globalstar as described below.

The stock consideration will be the aggregate number of shares of Globalstar common stock equal to the quotient of $6.5 million, minus any outstanding service fees owed by LDG to Globalstar pursuant to the existing Satellite Capacity Agreement between the parties, divided by the average of the closing price per share of Globalstar common stock on The Nasdaq Global Select Market for the 10 trading-day period ending on the trading day immediately preceding the third trading day prior to closing.

The exact number of shares of Globalstar common stock to be delivered in the transaction is not determinable at this time because the price used to calculate the number of shares of common stock to be delivered pursuant to the purchase agreement and the deduction for the service fees owed is not yet known. The following table sets forth the number of shares of Globalstar common stock that would be delivered in the transaction at various average sales prices per share for the period described above, assuming no deduction for service fees.

	Globalstar Common Stock 10-Day Average Closing Price				
	$ 6.00	**$ 7.00**	**$ 8.00**	**$ 9.00**	**$ 10.00**
Aggregate Shares of Globalstar Common Stock Issuable	1,083,333	928,571	812,500	722,222	650,000

Fractional Shares

Globalstar will not issue any fractional shares of common stock in the transaction.

Payment of Consideration

On the closing date, Globalstar will deliver to Loral Space the common stock payable under the purchase agreement.

Background of the Transaction

On several occasions during the second quarter of 2006, James Monroe III, Chairman & CEO of Globalstar, and Eric J. Zahler, then President and COO of Loral Space, discussed an acquisition by Globalstar of LDG s independent gateway operations in Brazil in connection with settlement discussions on other matters and the lock-up agreement being requested by the underwriters of Globalstar s initial public offering.

During the third quarter of 2006, Mr. Monroe and Mr. Zahler discussed the structure and consideration of an acquisition of the Brazilian gateway operator, and the parties began to exchange term sheets regarding the acquisition. During this time period the parties reached agreement in principle on a purchase price of $6.5 million in Globalstar common stock. On August 21, 2006, Globalstar and Loral Space entered into a confidentiality agreement concerning the proposed transaction. From that time through the third quarter of 2007, certain members of Globalstar s management conducted due diligence discussions with Loral Space and its indirect subsidiary, GdB.

On October 17, 2006, Globalstar and Loral Space agreed to settle their dispute regarding Government Services, L.L.C., a subsidiary owned 75% by Globalstar and 25% by Loral Space. At the same time, Loral Space advised Globalstar and the underwriters that it would sign a requested lock-up agreement that prohibited Loral Space from selling 70% of its Globalstar common stock for 180 days following Globalstar s initial public offering.

The parties continued to negotiate a term sheet for the transaction in the fourth quarter of 2006 and the first quarter of 2007. On May 10, 2007, U.S. counsel to Globalstar submitted a draft purchase agreement to Loral Space contemplating a structure whereby Globalstar would acquire substantially all of the assets of LDG and its operating subsidiaries.

After further diligence, documents were exchanged and all parties reviewed the potential transaction with Brazilian counsel, the parties agreed in principle to change the structure of the transaction to a purchase of the partnership interests of LDG. U.S. Counsel for Globalstar circulated a revised purchase agreement to Loral Space on June 13, 2007.

Thereafter through November 14, 2007, the parties and their counsel exchanged many drafts and negotiated the terms of the definitive purchase agreement and related documentation, including provisions with respect to the manner in which the final consideration would be calculated, the manner in which outstanding tax liabilities would be paid and indemnified by Loral Space in the future, the representations and warranties to be made by all parties, covenants restricting the operations of LDG and its subsidiaries between the execution of the purchase agreement and closing and conditions to closing the transaction. On November 14, 2007, the parties reached a substantially final agreement on the terms of the transaction and Globlastar and Loral Space and its related parties delivered signature pages into escrow pending receipt of signatures from Global DASA and Mercedes-Benz do Brasil Ltda. (MBBras). MBBras is the owner of a quota share of Loral/DASA do Brasil Holdings Ltda., a subsidiary of LDG and the parent of GdB. This escrow arrangement expired on December 14, 2007.

In early December 2007, the parties became aware of a tax issue affecting MBBras. The parties resolved this issue on or about December 19, 2007, clearing the way for execution of the purchase agreement.

At all regular meetings during 2007, the Globalstar board of directors was briefed with respect to progress of the transaction. The briefings included, at a minimum, management s opinion with respect to financial impact of the transaction, the financial terms of the proposed purchase agreement, and the status of the negotiations. On January 14, 2008, a copy of the executed purchase agreement was sent to each of the directors with a request that it be ratified. On January 18, 2008, by unanimous written consent, the directors ratified the purchase agreement and authorized registration of the stock required as consideration under the purchase agreement.