

Globalstar, Inc.  
Form 10-Q  
May 05, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-33117

GLOBALSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 41-2116508

(State or Other Jurisdiction of (I.R.S. Employer Identification No.)

Incorporation or Organization)

300 Holiday Square Blvd.

Covington, Louisiana 70433

(Address of principal executive offices and zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 28, 2016, 910,964,078 shares of voting common stock and 134,008,656 shares of nonvoting common stock were outstanding. Unless the context otherwise requires, references to common stock in this Report mean the Registrant's voting common stock.

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FORM 10-Q

GLOBALSTAR, INC.  
TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements.</u>	<u>1</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	<u>27</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk.</u>	<u>36</u>
Item 4. <u>Controls and Procedures.</u>	<u>37</u>
<u>PART II - OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings.</u>	<u>37</u>
Item 1A. <u>Risk Factors.</u>	<u>37</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>	<u>38</u>
Item 3. <u>Defaults Upon Senior Securities.</u>	<u>38</u>
Item 4. <u>Mine Safety Disclosures.</u>	<u>38</u>
Item 5. <u>Other Information.</u>	<u>38</u>
Item 6. <u>Exhibits.</u>	<u>38</u>
<u>Signatures</u>	<u>39</u>

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements.

## GLOBALSTAR, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended	
	March 31,	March 31,
	2016	2015
Revenue:		
Service revenues	\$18,749	\$17,107
Subscriber equipment sales	3,087	3,915
Total revenue	21,836	21,022
Operating expenses:		
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	7,591	7,434
Cost of subscriber equipment sales	2,178	3,131
Marketing, general and administrative	8,610	8,596
Depreciation, amortization, and accretion	19,155	19,046
Total operating expenses	37,534	38,207
Loss from operations	(15,698 )	(17,185 )
Other income (expense):		
Interest income and expense, net of amounts capitalized	(9,105 )	(8,517 )
Derivative loss	(1,344 )	(107,865 )
Other	(609 )	4,068
Total other income (expense)	(11,058 )	(112,314 )
Loss before income taxes	(26,756 )	(129,499 )
Income tax expense	191	228
Net loss	\$(26,947)	\$(129,727)
Other comprehensive loss:		
Foreign currency translation adjustments	(651 )	(1,290 )
Total comprehensive loss	\$(27,598)	\$(131,017)
Net loss per common share:		
Basic	\$(0.03 )	\$(0.13 )
Diluted	(0.03 )	(0.13 )
Weighted-average shares outstanding:		
Basic	1,041,028	1,000,845
Diluted	1,041,028	1,000,845

See accompanying notes to unaudited interim condensed consolidated financial statements.

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

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$11,859	\$ 7,476
Accounts receivable, net of allowance of \$4,851 and \$5,270 respectively	14,445	14,536
Inventory	11,355	12,023
Prepaid expenses and other current assets	4,401	4,456
Total current assets	42,060	38,491
Property and equipment, net	1,070,439	1,077,560
Restricted cash	37,918	37,918
Prepaid second-generation ground costs	4,501	8,929
Intangible and other assets, net of accumulated amortization of \$6,802 and \$6,315, respectively	12,338	12,117
Total assets	\$1,167,256	\$ 1,175,015
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$32,835	\$ 32,835
Accounts payable	6,135	8,118
Accrued contract termination charge	19,908	19,121
Accrued expenses	26,844	22,439
Payables to affiliates	615	616
Deferred revenue	24,596	23,902
Total current liabilities	110,933	107,031
Long-term debt, less current portion	555,015	548,286
Employee benefit obligations	4,856	4,810
Derivative liabilities	240,982	239,642
Deferred revenue	6,225	6,413
Debt restructuring fees	20,795	20,795
Other non-current liabilities	11,547	10,907
Total non-current liabilities	839,420	830,853
Commitments and contingent liabilities (Notes 7 and 8)		
Stockholders' equity:		
Preferred Stock of \$0.0001 par value; 100,000,000 shares authorized and none issued and outstanding at March 31, 2016 and December 31, 2015, respectively	—	—