SYNIVERSE HOLDINGS INC
Form 424B4
February 10, 2005
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Filed Pursuant to Rule 424(b)(4)

Registration No. 333-120444

PROSPECTUS

17,620,000 Shares

Common Stock

We are selling 17,620,000 shares of our common stock.

This is the initial public offering of our common stock. Our common stock has been approved for listing on the New York Stock Exchange under the symbol SVR.

Investing in our common stock involves risks. See Risk Factors beginning on page 10 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$ 16.00	$ 281,920,000
Underwriting Discounts and Commissions	$ 1.00	$ 17,620,000
Proceeds to Syniverse (before expenses)	$ 15.00	$ 264,300,000

To the extent that the underwriters sell more than 17,620,000 shares of common stock, the underwriters have the option to purchase up to an additional 2,643,000 shares from us and the selling stockholders at the initial public offering price less the underwriting discount. The selling stockholders are selling an aggregate of 686,393 shares of common stock.

The underwriters expect to deliver the shares to purchasers on or about February 15, 2005.

LEHMAN BROTHERS **GOLDMAN, SACHS & CO.** **BEAR, STEARNS & CO. INC.**

DEUTSCHE BANK SECURITIES

ROBERT W. BAIRD & CO. **FRIEDMAN BILLINGS RAMSEY** **RAYMOND JAMES**

February 9, 2005

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You should rely only on the information contained in this prospectus. We and the selling stockholders have not authorized anyone to provide you with different information. We and the selling stockholders are not making an offer of these securities in any state where such an offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

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PROSPECTUS SUMMARY

The following summary highlights certain information contained elsewhere in this prospectus. For a more complete understanding of the information that you may consider important in making your investment decision, you should read this entire prospectus, including our consolidated financial statements and related notes included in this prospectus and the information set forth under the heading Risk Factors.

All financial statement, share and per share amounts included herein assume the reverse stock split of our common stock, which will take place concurrent with or prior to the effectiveness of this offering.

BUSINESS

Overview

We are a leading provider of mission-critical technology services to wireless telecommunications companies worldwide. We serve over 300 telecommunications carriers in approximately 40 countries. Many of these carriers depend on our integrated suite of transaction-based services to solve the complexities associated with offering seamless wireless services, connecting disparate carrier networks and facilitating the rapid deployment of next-generation wireless services. Our services enable wireless carriers to provide their customers with enhanced wireless services including national and international wireless voice and data roaming, caller ID, Short Message Service (SMS) messaging, wireless number portability and wireless data content.

The global wireless industry relies on an extensive and complex set of communication standards, technical protocols, network interfaces and systems that must successfully interoperate in order to provide global voice and data services. The proliferation of these standards has resulted in technological incompatibilities, both within and between carriers. These incompatabilities have become increasingly difficult to manage as new wireless technologies and services are introduced and deployed.

Our position as a trusted and neutral intermediary between carriers allows us to solve these technical and operational challenges for the wireless industry. By providing our carrier customers a single point of system and network connectivity, we are able to translate otherwise incompatible communication standards and protocols, route telephone calls and SMS messages to support national and international roaming and provide access to intelligent network services such as wireless number portability and caller ID. Our services platform also enables carriers to rapidly and cost-effectively deploy next-generation services such as wireless data content, wireless fidelity (Wi-Fi) and Voice-over-Internet Protocol (VoIP).

We provide these services to telecommunications carriers globally, including the ten largest U.S. wireless carriers and six of the ten largest international wireless carriers. Our domestic customers include Cingular Wireless, Sprint PCS, T-Mobile and Verizon Wireless. We serve approximately 80 international carriers including China Unicom, KDDI and SK Telecom.

We generate the majority of our revenue on a per-transaction basis, often generating multiple transactions from a single subscriber call or data session. The remainder of our revenues are generated from recurring, non-transaction fees for network connections and software maintenance. Demand for our services is driven primarily by the volume of wireless voice calls and data sessions, the frequency of subscriber roaming activity, the number of SMS messages exchanged and subscriber adoption of new wireless data services. Our total revenues for the nine months ended September 30, 2004 were approximately $244.1 million as compared to approximately $201.2 million for the nine months ended September 30, 2003, an increase of approximately 21.3%. Our net income was

$10.8 million and $1.2 million and our net loss applicable to common stockholders was $12.6 million and $21.6 million for the same periods, respectively.

Suite of Services

We have built our reputation over the past 17 years by designing comprehensive solutions that solve wireless industry technology complexities. Our integrated suite of services includes:

Technology Interoperability Services. We operate the largest wireless clearinghouse in North America that enables the accurate invoicing and settlement of domestic and international wireless roaming telephone calls, wireless data events and Wi-Fi sessions. We also provide SMS routing and translation services between carriers.

Network Services. Through our Signaling System 7 (SS7) network, we connect disparate wireless carrier networks, enable access to intelligent network database services like caller ID and provide translation and routing services to support the delivery and establishment of telephone calls. SS7 is the telecommunications industry s standard network signaling protocol used by substantially all carriers to enable critical telecommunications functions such as line busy signals, toll-free calling services and caller ID.

Number Portability Services. Our leading wireless local number portability (WLNP) services are used by many wireless carriers, including the five largest domestic carriers, to enable wireless subscribers to switch service providers while keeping the same telephone number. Historically, wireless subscribers had to surrender their telephone number when canceling wireless services with one provider and moving services to another. With the introduction of WLNP, wireless subscribers are now able to keep their telephone number when switching between carriers.

Call Processing Services. We provide wireless carriers global call handling and fraud management solutions that allow wireless subscribers from one carrier to make and accept telephone calls while roaming on another carrier s network.

Enterprise Solutions. Our enterprise wireless data management platform allows carriers to offer large corporate customers reporting and analysis tools to manage telecom-related expenses.

Competitive Strengths

We believe that the following strengths differentiate us in the marketplace:

Comprehensive suite of services makes us a leading provider of mission-critical services to wireless carriers. We believe that the mission-critical nature of our services, our established carrier relationships and our performance track record make us the technology services provider of choice for many of our customers.

Transaction-based business model with recurring revenues and strong operating cash flows. Our historical success in customer retention, our growth in transaction volumes and our ability to leverage our existing technology platforms to serve additional customers enable us to generate a high level of recurring revenues and strong operating cash flows to support strategic activities.

Proven track record of technology innovation enables us to capitalize on ongoing needs of our customers. We believe that we are and will continue to be a leading developer of mission-critical technology services to wireless carriers. We expect to continue to capitalize on carrier deployment of next-generation technologies such as Wi-Fi, wireless data and VoIP.

Role as an independent, trusted intermediary provides enhanced market access. Unlike some of our competitors, we do not compete for our customers subscribers. We believe that this market position provides us a unique ability to collaborate with our customers on new product development and enables

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us to most effectively anticipate, identify and address the evolving requirements of the global wireless industry.

Extensive and collaborative customer relationships. We provide our services to over 300 telecommunications carriers in approximately 40 countries. Through our relationships with such carriers, we have developed a highly active and respected customer users group that has helped facilitate the continued development, enhancement and evolution of our services.

Experienced management team with strong customer relationships. Our senior management team has strong customer relationships developed over an average of 19 years of telecommunications industry experience.

Growth Strategy

In order to strengthen our market leadership position, enhance growth and maximize profitability, we intend to:

Expand our global customer base. We are aggressively pursuing global expansion opportunities where we believe there are significant markets for our services. We recently established sales and support offices in Europe, Latin America and Asia Pacific. This expansion has helped us sign contracts with leading carriers in France, China, Brazil, Italy, Saudi Arabia and India.

Further penetrate our existing customer base. We intend to continue to cross-sell services to our existing customers to further diversify our revenue stream and increase per-customer revenues. For example, we have signed contracts and implemented our WLNP solutions for over 80 of our existing U.S. customers, including all of the five largest wireless carriers.

Enhance our existing services suite through the development of innovative new services. We believe that we are well positioned to develop innovative services that respond to and solve industry complexities associated with new market participants and new technologies. Our development of a Wi-Fi clearinghouse service and our signing of contracts with two major U.S. carrier providers of Wi-Fi services are recent examples of our capabilities.

Pursue strategic acquisitions. We will continue to seek opportunities to acquire businesses that expand our range of services, provide opportunities to increase our customer base and enter new markets. In September 2004, we acquired the North American wireless clearinghouse business of Electronic Data Systems (EDS).

Summary Risks

We face many risks, including those related to:

Infrastructure Failure. Damage to or failure of the infrastructure that we rely on, including that of our customers and vendors, could result in the loss of customers, harm our operating performance and expose us to potential customer liability.

Concentration of Revenue Sources. Of our revenues for the nine months ended September 30, 2004, approximately 21% came from Verizon and 60% came from our top ten customers. Any negative development in our relationships with such significant customers could harm our business.

Limited Guaranteed Revenue. If our customers decide not to continue to purchase services from us at current levels and prices, it could harm our business and operating results.

Industry Consolidation. Future consolidation among our customers may cause us to lose transaction volume, reduce our prices and could harm our financial performance. In the past, consolidation among our customers has caused us to lose transaction volume and has impacted pricing.

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Technological Change. Significant technological changes could make our technology and services obsolete. If we do not rapidly adapt to technological change in the telecommunications industry, we could lose customers or market share.

Intense Competition. The market for our services is intensely competitive. Existing and future competition could adversely affect our revenues, pricing and operating margins.

International Execution. Our expansion into international markets is subject to uncertainties and risks that could harm our operating results.

For a more complete discussion of these risks and other risks related to our business and this offering, please see the section Risk Factors.

Recent Developments

Preliminary Unaudited Fourth Quarter Operating Results. We have not yet finalized our financial statement close process for the quarter ended December 31, 2004 or completed our year-end audit. In connection with the completion of these activities, we may identify items that would require us to make adjustments to our preliminary operating results described below.

Based on our preliminary operating results, we currently expect to report total revenues of between $87 million and $90 million for the three months ended December 31, 2004, compared to $70.2 million for the same period in 2003. Our total revenues increased from period to period due to an increase in Technology Interoperability Services revenues, primarily as a result of our acquisition of the North American wireless clearinghouse business of EDS in September 2004 and strong transaction volume growth. In addition, we also experienced an increase in revenues from our Number Portability Services, which we began providing on November 24, 2003. We continued to experience growth in Network Services revenues in the fourth quarter of 2004. This growth was partially offset by anticipated decreases in Call Processing and Enterprise Solutions Services revenues during this period.

During the fourth quarter of 2004, we renewed several contracts with Verizon Wireless for certain of our services. These renewed contracts are multi-year in duration and, consistent with our volume-based pricing strategy, contain lower rates than our existing Verizon Wireless contracts. Our total revenues from Verizon Wireless for the fourth quarter of 2004 would have been approximately $2 million lower had these renewed contracts been in place for the entire quarter. Based on current negotiations, we also expect to sign contract renewals for specific services provided to certain other customers at rates that will reduce our quarterly revenues by approximately $1 million in the aggregate based on current volumes.

Our preliminary 2004 revenue estimates also include between $1 million and $2 million of non-recurring Number Portability Services revenues. In addition, we also expect an approximate $2 million reduction in our quarterly Technology Interoperability Services clearinghouse revenues beginning in the first quarter of 2005. This decline is the result of the planned elimination of intracompany clearinghouse transactions between the recently merged Cingular and AT&T Wireless.

Based on our preliminary operating results, we currently expect to report net income of between $3 million and $4 million for the three months ended December 31, 2004, compared to a loss of $59.1 million for the same period in 2003. Our net income increased from period to period primarily due to higher revenues and the absence of a non-cash impairment loss of $53.7 million recognized in 2003 due to the re-branding and re-naming of our company to Syniverse. This increase was partially offset by a 2004 non-cash impairment charge of approximately $5 million

on our customer base intangible assets resulting from a technology interoperability customer recently notifying us that it does not intend to renew its contract for these services.

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Company History

Our business was founded in 1987 as GTE Telecommunication Services Inc., a unit of GTE. In early 2000, GTE combined our business with its Intelligent Network Services business to further broaden our network services offering. In June 2000, when GTE and Bell Atlantic merged to form Verizon Communications Inc., we became an indirect, wholly owned subsidiary of Verizon Communications. In February 2002, we were acquired by certain members of our senior management team and an investor group led by GTCR. Effective March 1, 2004, we changed our corporate name from TSI to Syniverse.

Our Company

Syniverse Technologies, Inc., our principal operating subsidiary and a wholly owned subsidiary of Syniverse Holdings, Inc., is the borrower under our existing senior credit facility and the issuer of the 12 3/4% senior subordinated notes. Syniverse Holdings, Inc. is in turn a wholly owned subsidiary of Syniverse Holdings, LLC, which is the ultimate parent of the consolidated group of Syniverse entities. In connection with this offering, Syniverse Holdings, LLC will distribute all of the shares of Class A cumulative redeemable convertible preferred stock and common stock of Syniverse Holdings, Inc. that it owns to its members and will dissolve. Following this dissolution and distribution, Syniverse Holdings, Inc. will become the ultimate parent of the consolidated group of Syniverse entities. See Certain Relationships and Related Party Transactions Dissolution Agreement.

Our principal executive offices are located at One Tampa City Center, Suite 700, Tampa, Florida 33602, and our telephone number is (813) 273-3000. Our website is www.syniverse.com. Our website and the information included therein are not part of this prospectus.

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Summary of the Offering

Common stock offered by us	17,620,000 shares, which represents approximately 26.0% of our common stock outstanding after this offering.
Option	We and the selling stockholders have granted the underwriters a 30-day option to purchase up to an aggregate of 2,643,000 additional shares of common stock. The selling stockholders include members of our senior management team.
Common stock outstanding after this offering	67,667,226 shares.
Use of proceeds	We intend to use net proceeds from this offering, together with borrowings under our new senior credit facility, to redeem a portion of our class A cumulative redeemable convertible preferred stock, most of which is indirectly held by funds controlled by GTCR and some of which is indirectly held by current and former employees of Lehman Brothers Inc., to repay all borrowings outstanding under our existing senior credit facility and to tender for a portion of our 12 3/4% senior subordinated notes. If the underwriters exercise their option, we will use any additional net proceeds we receive to redeem additional shares of our class A cumulative redeemable convertible preferred stock. We will not receive any proceeds from the sale of shares, if any, by the selling stockholders. See Use of Proceeds.
New York Stock Exchange symbol	SVR

We base the number of shares that will be outstanding after this offering on 39,837,630 shares outstanding as of December 31, 2004 and exclude:

311,311 shares of our common stock issuable upon exercise of options outstanding as of September 30, 2004 at a weighted average exercise price of $12.43 per share; and

211,809 shares of our common stock reserved for issuance pursuant to future grants under our stock option plans.

Except as otherwise indicated, all of the information presented in this prospectus assumes the following:

the effectiveness of our new senior credit facility to be entered into in connection with this offering;

the contribution by Syniverse Holdings, LLC of all of the shares of non-voting common stock of Syniverse Networks, Inc. to Syniverse Holdings, Inc. and then the contribution by Syniverse Holdings, Inc. of those shares to Syniverse Technologies, Inc., which became effective as of January 17, 2005;

the effectiveness of our restated certificate of incorporation and restated by-laws, which became effective as of February 9, 2005;

the effectiveness of a 1-for-2.485 reverse stock split of our common stock, which occurred on February 9, 2005;

the redemption of approximately 124,876 shares of our outstanding class A cumulative redeemable convertible preferred stock and all associated accrued and unpaid dividends in connection with this offering;

the conversion of each outstanding share of our class A cumulative redeemable convertible preferred stock and all associated accrued and unpaid dividends that we do not redeem in connection with this offering into 10,209,596 shares of our common stock at the initial public offering price within 45 days after completion of this offering; and

no exercise of the underwriters option.

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Summary Historical Condensed Consolidated Financial Data

The following table sets forth our summary historical and unaudited condensed consolidated financial data for the periods ended and at the dates indicated since our acquisition from Verizon. We have derived the summary historical consolidated financial data as of September 30, 2004 and for the period from February 14, 2002 to December 31, 2002, the year ended December 31, 2003 and the nine months ended September 30, 2004 from our audited financial statements and the related notes included elsewhere in this prospectus. We have derived the historical consolidated financial data for the nine months ended September 30, 2003 from our unaudited consolidated financial statements included elsewhere in this prospectus.

			Nine Months Ended	
	Period from February 14 to December 31, 2002	Year Ended December 31, 2003	September 30, 2003 (unaudited)	September 30, 2004
	(in thousands except per share data)			
Statement of Operations Data:				
Revenues (excluding Off-Network Database Query Fees)	$ 234,927	$ 241,879	$ 176,698	$ 223,485
Off-Network Database Query Fees	61,117	29,529	24,538	20,606
Total Revenues	296,044	271,408	201,236	244,091
Costs and expenses	231,137	261,917	153,300	187,524
Operating income	64,907	9,491	47,936	56,567
Interest expense (1)	(54,105)	(58,128)	(44,525)	(40,165)
Net income (loss)	631	(57,926)	1,222	10,809
Preferred dividends	(33,340)	(30,230)	(22,814)	(23,379)
Net loss attributable to common stockholders	(32,709)	(88,156)	(21,592)	(12,570)
Net loss per share:				
Basic and diluted	$ (0.82)	$ (2.21)	$ (0.54)	$ (0.32)
Weighted average common shares outstanding:				
Basic and diluted	39,838	39,838	39,838	39,838
Pro forma net income (loss) per share: (2)				
Basic and diluted		$ (0.41)		$ 0.45
Other Financial Information:				
Depreciation and amortization (1)	$ 33,285	$ 37,319	$ 27,567	$ 30,323
EBITDA (3)	96,376	46,810	75,502	86,878
Capital expenditures	12,278	18,280	12,121	17,403

	At September 30, 2004	
	Actual	As Adjusted (unaudited) (4)
	(dollars in thousands)	
Balance Sheet Data:		

Cash and cash equivalents	$ 13,026	$ 13,026
Working capital	43,830	44,607
Property and equipment, net	37,077	37,077
Total assets	777,041	771,721
Total debt, net of discount, and redeemable preferred stock	804,642	413,739
Total stockholders (deficit) equity	(103,032)	284,405

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(1) Depreciation and amortization amounts exclude accretion of debt discount and amortization of deferred finance costs, which are both included in interest expense in the statement of operations data.

(2) The pro forma net income per share data give effect to the sale of 17,620,000 shares of our common stock, borrowings of $256.7 million under our new senior credit facility, conversion of approximately 110,882 shares of our class A cumulative redeemable convertible preferred stock into 9,435,802 shares of our common stock, and the application of the estimated net proceeds therefrom as described in the accompanying unaudited pro forma condensed consolidated financial statements included elsewhere herein as if such transactions and our acquisition of EDS s North American clearinghouse business had been completed on January 1, 2003.

Based on December 31, 2004 balances, we will incur a charge of approximately $23.7 million for the write-off of unamortized deferred financing costs and unamortized debt discount related to repayment of our existing senior credit facility and the tendered portion of the senior subordinated notes and for the premium we will pay to tender for a portion of the senior subordinated notes, in the quarter in which this offering is consummated and that charge is not included in the pro forma financial data presented in this prospectus. The pro forma financial data does not purport to represent what our results of operations actually would have been if this offering had occurred as of the date indicated or what our results will be in any future period. See Pro Forma Condensed Consolidated Financial Statements.

(3) EBITDA is determined by adding net interest expense, income taxes, depreciation and amortization to net income (loss). We present EBITDA because we believe that EBITDA provides useful information regarding our operating results. We rely on EBITDA as a primary measure to review and assess the operating performance of our company and our management team in connection with our executive compensation and bonus plans. We also use EBITDA to compare our current operating results with corresponding periods and with the operating results of other companies in our industry. We believe that it is useful to investors to provide disclosures of our operating results on the same basis as that used by our management. We also believe that it can assist investors in comparing our performance to that of other companies on a consistent basis without regard to depreciation, amortization, interest or taxes, which do not directly affect our operating performance. In addition, we also utilize EBITDA as a measure of our liquidity and our ability to meet our debt service obligations and satisfy our debt covenants, which are partially based on EBITDA.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flows statement data prepared in accordance with accounting principles generally accepted in the United States. Some of these limitations are:

EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements;

EBITDA does not reflect income taxes or the cash requirements for any tax payments; and

Other companies in our industry may calculate EBITDA differently than we do, thereby limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of performance in compliance with GAAP. We compensate for these limitations by relying primarily on our GAAP

results and using EBITDA only supplementally. See our consolidated statements of operations and our consolidated statements of cash flows included in our financial statements included elsewhere in this prospectus.

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The following table reconciles net income (loss) to EBITDA for the periods presented. We have also provided supplemental information regarding items associated with our restructuring expense and intangible asset impairments.

	Period from February 14 to December 31, 2002	Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004
	(dollars in thousands)			
Reconciliation of Net Income (Loss) to EBITDA:				
Net income (loss) as reported	$ 631	$ (57,926)	$ 1,222	$ 10,809
Interest expense, net	53,140	57,360	43,979	39,238
Depreciation and amortization	33,285	37,319	27,567	30,323
Provision for income taxes	9,320	10,057	2,734	6,508
EBITDA	$ 96,376	$ 46,810	$ 75,502	$ 86,878
Supplemental information:				
Restructuring expense (i)	$ 2,845	$ 2,164	$ 2,448	$ 289
Impairment losses on intangible assets (ii)		53,712		8,982

(i) Restructuring expense is comprised primarily of severance benefits associated with our cost rationalization initiatives, which were implemented in August 2002, February 2003, July 2003 and April 2004. The latter two restructurings are related to two acquisitions. This excludes amounts related to acquisitions where restructuring costs were accrued as a part of purchase accounting.

(ii) Impairment losses on intangible assets in 2003 relate primarily to the trademark value associated with our previous corporate name of $51.0 million and to certain capitalized software costs of $2.7 million which will no longer be recoverable due to our phase-outs of certain service offerings. In 2004, these losses relate to capitalized software costs associated with our phase out of other service offerings and reduced valuation of certain call processing services.

The following table reconciles cash flows from operations to EBITDA for the periods presented.

	Period from February 14 to December 31, 2002	Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004
	(dollars in thousands)			
Reconciliation of Cash Flows from Operations to EBITDA:				
Net cash provided by operating activities	$ 59,756	$ 48,422	$ 35,087	$ 54,254
Net interest paid	30,187	46,152	42,919	42,155
Impairment losses on intangible assets		(53,712)		(8,982)

Other working capital changes	15,496	19,522	7,068	6,190
Changes in other non-cash items	(9,456)	(11,489)	(9,397)	(7,200)
Other assets and liabilities	393	(2,085)	(175)	461
EBITDA	$ 96,376	$ 46,810	$ 75,502	$ 86,878

(4) The as adjusted balance sheet data as of September 30, 2004 gives effect to the sale of 17,620,000 shares of our common stock, borrowings of $256.7 million under our new senior credit facility, conversion of approximately 110,882 shares of our class A cumulative redeemable convertible preferred stock into 9,435,802 shares of our common stock, and the application of the estimated net proceeds therefrom as described under the caption Use of Proceeds as if such transactions had been completed on September 30, 2004.

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RISK FACTORS

You should carefully consider the following factors, in addition to the other information contained in this prospectus, before deciding whether to purchase our common stock. If any of the following risks actually occur, our financial condition and results of operations could suffer, the trading price of our common stock could decline and you may lose a part or all of your investment in our common stock.

Risks Relating to our Business

System failures, delays and other problems could harm our reputation and business, cause us to lose customers and expose us to customer liability.

Our success depends on our ability to provide reliable services to our customers. Our operations could be interrupted by any damage to or failure of:

- our computer software or hardware, or our customers or suppliers computer software or hardware;
- our networks, our customers networks or our suppliers networks; and
- our connections and outsourced service arrangements with third parties.

Our systems and operations are also vulnerable to damage or interruption from:

- power loss, transmission cable cuts and other telecommunications failures;
- hurricanes, fires, earthquakes, floods and other natural disasters;
- interruption of service due to potential facility migrations;
- computer viruses or software defects;
- physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events; and
- errors by our employees or third-party service providers.

Because many of our services play a mission-critical role for our customers, any damage to or failure of the infrastructure we rely on, including that of our customers and vendors, could disrupt the operation of our network and the provision of our services, result in the loss of current and potential customers and expose us to potential customer liability.

We depend on a small number of customers for a significant portion of our revenues and the loss of any of our major customers would harm us.

Our three largest customers for the nine months ended September 30, 2004 represented approximately 36.7% of our revenues in the aggregate, while our ten largest customers for the nine months ended September 30, 2004 represented approximately 59.8% of our revenues in the aggregate. For the nine months ended September 30, 2004, we generated revenues from services provided to Verizon Communications, Verizon Wireless and their affiliates, which collectively is our largest customer, of approximately $50.0 million, or 20.5% of our revenues, excluding revenues from Off-Network Database Queries. No other customer accounted for more than 10% of our revenues, excluding revenues from Off-Network Database Queries, for the nine months ended September 30, 2004. We expect to continue to depend upon a small number of customers for a significant percentage of our revenues. Because our major customers represent such a large part of our business, the loss of any of our major customers would negatively impact our business.

Most of our customer contracts do not provide for minimum payments at or near our historical levels of revenues from these customers.

Although some of our customer contracts require our customers to make minimum payments to us, these minimum payments are substantially less than the revenues that we have historically earned from these customers. If our customers decide for any reason not to continue to purchase services from us at current levels

or at current prices, to terminate their contracts with us or not to renew their contracts with us, our revenues would decline.

Future consolidation among our customers may cause us to lose transaction volume and reduce our prices, which would negatively impact our financial performance.

In the past, consolidation among our customers has caused us to lose transaction volume and to reduce prices. In the future, our transaction volume and pricing may decline for similar reasons. We may not be able to expand our customer base to make up any revenue declines if we lose customers or if our transaction volumes decline. Our attempts to diversify our customer base and reduce our reliance on particular customers may not be successful.

On September 30, 2004, we acquired the clearinghouse business of IOS North America from EDS. For the nine months ended September 30, 2004, AT&T Wireless was IOS North America s largest clearinghouse customer, representing approximately 60.6% of IOS North America s revenues. On October 26, 2004, Cingular Wireless acquired AT&T Wireless and as a result, we may lose AT&T Wireless as a clearinghouse customer given that we currently do not provide clearinghouse services to Cingular Wireless. This would have a negative impact on our future operating results.

If we do not adapt to rapid technological change in the telecommunications industry, we could lose customers or market share.

Our industry is characterized by rapid technological change, frequent new service introductions and changing customer demands. Significant technological changes could make our technology and services obsolete. Our success depends in part on our ability to adapt to our rapidly changing market by continually improving the features, functionality, reliability and responsiveness of our existing services and by successfully developing, introducing and marketing new features, services and applications to meet changing customer needs. We cannot assure you that we will be able to adapt to these challenges or respond successfully or in a cost-effective way to adequately meet them. Our failure to do so would impair our ability to compete, retain customers or maintain our financial performance. We sell our services primarily to telecommunications companies. Our future revenues and profits will depend, in part, on our ability to sell to new market participants.

The market for our services is intensely competitive and many of our competitors have significant advantages over us.

We compete in markets that are intensely competitive and rapidly changing. Increased competition could result in fewer customer orders, reduced pricing, reduced gross and operating margins and loss of market share, any of which could harm our business. We face competition from large, well-funded providers of similar services, such as VeriSign, EDS, MACH Dan Net and regional Bell operating companies. We believe that certain customers may choose to internally deploy certain functionality currently provided by our services. In recent years, we have experienced a loss of revenue streams from certain of our services as some of our customers have decided to meet their needs for these services in-house. For example, during the fourth quarter of 2004, we received notice from Sprint of its intention to move number portability error resolution services provided by us to its own internal platforms. We are aware of major Internet service providers, software developers and smaller entrepreneurial companies that are focusing significant resources on developing and marketing services that will compete with the services we offer. We anticipate increased competition in the telecommunications industry and the entrance of new competitors into our business.

We expect that competition will increase in the near term and that our primary long-term competitors may not yet have entered the market. Many of our current and potential competitors have significantly more employees and greater financial, technical, marketing and other resources than we do. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements than we can. In addition, many of our current and potential competitors have greater name recognition and more extensive customer bases that they can use to their advantage.

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Our continued expansion into international markets is subject to uncertainties that could affect our operating results.

Our growth strategy contemplates continued expansion of our operations into foreign jurisdictions. International operations and business expansion plans are subject to numerous risks, including:

- the difficulty of enforcing agreements and collecting receivables through some foreign legal systems;
- fluctuations in currency exchange rates;
- foreign customers may have longer payment cycles than customers in the U.S.;
- compliance with U.S. Department of Commerce export controls;
- tax rates in some foreign countries may exceed those of the U.S. and foreign earnings may be subject to withholdings requirements or the imposition of tariffs, exchange controls or other restrictions;
- general economic and political conditions in the countries where we operate may have an adverse effect on our operations in those countries or not be favorable to our growth strategy;
- unexpected changes in regulatory requirements;
- the difficulties associated with managing a large organization spread throughout various countries;
- the risk that foreign governments may adopt regulations or take other actions that would have a direct or indirect adverse impact on our business and market opportunities; and
- the potential difficulty in enforcing intellectual property rights in certain foreign countries.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. However, any of these factors could result in higher costs or reduced revenues for our international operations.

Difficulty in integrating the IOS North America business may harm us.

On September 30, 2004, we acquired IOS North America from EDS. We intend to integrate the operations of this business into our existing services. The integration may proceed more slowly or be more difficult than we currently contemplate and, as a result, our financial position and

results of operations may be adversely affected. For example, we could have difficulties migrating IOS s customer base to our wireless clearinghouse platform, which could result in a deterioration of service, an increase in customer transition-related costs and/or a loss of customers. Furthermore, we may encounter unanticipated difficulties with integrating IOS North America s services, systems, operations and personnel. The measures that we have taken to date or plan to take in the future may not adequately resolve those issues. Integration difficulties may harm our future financial position, results of operations and customer relationships. In addition, IOS North America depends on a relatively small number of customers for a significant portion of its revenues.

The costs and difficulties of acquiring and integrating complementary businesses and technologies could impede our future growth, diminish our competitiveness and harm our operations.

As part of our growth strategy, we intend to consider acquiring complementary businesses. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities and an increase in amortization expense related to identifiable intangible assets acquired, which could harm our business, financial condition and results of operations. Risks we could face with respect to acquisitions include:

- greater than expected costs, management time and effort involved in identifying, completing and integrating acquisitions;

- potential disruption of our ongoing business and difficulty in maintaining our standards, controls, information systems and procedures;

entering into markets and acquiring technologies in areas in which we have little experience;

acquiring intellectual property which may be subject to various challenges from others;

the inability to successfully integrate the services, products and personnel of any acquisition into our operations;

a need to incur debt, which may reduce our cash available for operations and other uses, or a need to issue equity securities, which may dilute the ownership interests of existing stockholders; and

realizing little, if any, return on our investment.

Our failure to achieve or sustain market acceptance at desired pricing levels could impact our ability to maintain profitability or positive cash flow.

Competition and industry consolidation have resulted in pricing pressure, which could continue in the future. This pricing pressure could cause large reductions in the selling price of our services. For example, the recently announced mergers of Nextel and Sprint, Alltel and Western Wireless and other consolidation in the wireless services industry could give our customers increased transaction volume leverage in pricing negotiations. Our competitors or our customers in-house solutions may also provide services at a lower cost, significantly increasing pricing pressures on us. We may not be able to offset the effects of any price reductions.

The inability of our customers to successfully implement our services could harm our business.

Significant technical challenges can arise for our customers when they implement our services. Our customers ability to support the deployment of our services and integrate them successfully within their operations depends, in part, on our customers technological capabilities and the level of technological complexity involved. Difficulty in deploying those services could increase our customer service support costs, delay the recognition of revenues until the services are implemented and reduce our operating margins.

Our reliance on third-party providers for communications software, hardware and infrastructure exposes us to a variety of risks we cannot control.

Our success depends on software, equipment, network connectivity and infrastructure hosting services supplied by our vendors and customers. We cannot assure you that we will be able to continue to purchase the necessary software, equipment and services from these vendors on acceptable terms or at all. If we are unable to maintain current purchasing terms or ensure service availability with these vendors and customers, we may lose customers and experience an increase in costs in seeking alternative supplier services.

Our business also depends upon the capacity, reliability and security of the infrastructure owned and managed by third parties, including our vendors and customers, that is used by our technology interoperability services, network services, number portability services, call processing services and enterprise solutions. We have no control over the operation, quality or maintenance of a significant portion of that infrastructure and

whether those third parties will upgrade or improve their software, equipment and services to meet our and our customers evolving requirements. We depend on these companies to maintain the operational integrity of our services. If one or more of these companies is unable or unwilling to supply or expand its levels of service to us in the future, our operations could be severely interrupted. In addition, rapid changes in the telecommunications industry have led to industry consolidation. This consolidation may cause the availability, pricing and quality of the services we use to vary and could lengthen the amount of time it takes to deliver the services that we use.

Capacity limits on our network and application platforms may be difficult to project and we may not be able to expand and upgrade our systems to meet increased use.

As customers usage of our services increases, we will need to expand and upgrade our network and application platforms. We may not be able to accurately project the rate of increase in usage of our services. In addition, we may not be able to expand and upgrade, in a timely manner, our systems, networks and application

platforms to accommodate increased usage of our services. If we do not appropriately expand and upgrade our systems and networks and application platforms, we may lose customers and our operating performance may suffer.

The financial and operating difficulties in the telecommunications sector may negatively affect our customers and our company.

Recently, the telecommunications sector has been facing significant challenges resulting from excess capacity, poor operating results and financing difficulties. The sector s access to debt and equity capital has been seriously limited. As a result, some of our customers have uncertain financial conditions and have filed for protection under the bankruptcy laws. The impact of these events on us could include slower collections on accounts receivable, higher bad debt expense, uncertainties due to possible customer bankruptcies, lower pricing on new customer contracts, lower revenues due to lower usage by the end customer and possible consolidation among our customers, which will put our customers and operating performance at risk. In addition, because we operate in the telecommunications sector, we may also be negatively impacted by limited access to debt and equity capital.

We may need additional capital in the future and it may not be available on acceptable terms.

We may require more capital in the future to:

- fund our operations;
- enhance and expand the range of services we offer;
- maintain and expand our network; and
- respond to competitive pressures and potential strategic opportunities, such as investments, acquisitions and international expansion.

We cannot assure you that additional financing will be available on terms favorable to us, or at all. The terms of available financing may place limits on our financial and operating flexibility. In addition, our existing senior credit facility and the indenture governing our 12 $^{3}/4\%$ senior subordinated notes contain, and our new senior credit facility will contain, financial and other restrictive covenants that will limit our ability to incur indebtedness or obtain financing. If adequate funds are not available on acceptable terms, we may be forced to reduce our operations or abandon expansion opportunities. Moreover, even if we are able to continue our operations, our failure to obtain additional financing could reduce our competitiveness as our competitors may provide better-maintained networks or offer an expanded range of services.

Regulations affecting our customers and us and future regulations to which they or we may become subject may harm our business.

Although we do not offer voice-grade or data services that are deemed to be common carrier telecommunication services, certain of the services we offer are subject to regulation by the Federal Communications Commission (FCC) that could have an indirect effect on our business. In addition, the U.S. telecommunications industry has been subject to continuing deregulation since 1984. We cannot predict when, or upon what

terms and conditions, further regulation or deregulation might occur or the effect regulation or deregulation may have on our business. Several services that we offer may be indirectly affected by regulations imposed upon potential users of those services, which may increase our costs of operations. In addition, future services we may provide could be subject to direct regulation.

We may not be able to receive or retain licenses or authorizations that may be required for us to sell our services internationally.

The sales and marketing of our services internationally are subject to the U.S. Export Control regime. Services of a commercial nature are subject to regulatory control by the Department of Commerce s Bureau of

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Export Administration and to Export Administration regulations. In the future, Congress may require us to obtain export licenses or other export authorizations to export our services abroad, depending upon the nature of services being exported, as well as the country to which the export is to be made. We cannot assure you that any of our applications for export licenses or other authorizations will be granted or approved. Furthermore, the export license/export authorization process is often time-consuming. Violation of export control regulations could subject us to fines and other penalties, such as losing the ability to export for a period of years, which would limit our revenue growth opportunities and significantly hinder our attempts to expand our business internationally.

Failure to protect our intellectual property rights adequately may have a material adverse affect on our results of operations or our ability to compete.

We attempt to protect our intellectual property rights in the United States and in foreign countries through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and agreements preventing the unauthorized disclosure and use of our intellectual property. We cannot assure you that these protections will be adequate to prevent competitors from copying or reverse engineering our services, or independently developing and marketing services that are substantially equivalent to or superior to our own. Moreover, third parties may be able to successfully challenge, oppose, invalidate or circumvent our patents, trademarks, copyrights and trade secret rights. We may fail or be unable to obtain or maintain adequate protections for certain of our intellectual property in the United States or certain foreign countries or our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States because of the differences in foreign trademark, patent and other laws concerning proprietary rights. Such failure or inability to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, results of operations and financial condition.

Monitoring and protecting our intellectual property rights is difficult and costly. From time to time, we may be required to initiate litigation or other action to enforce our intellectual property rights or to establish their validity. Such action could result in substantial cost and diversion of resources and management attention and we cannot assure you that any such action will be successful.

If third parties claim that we are in violation of their intellectual property rights, it could have a negative impact on our results of operations and ability to compete.

We face the risk of claims that we have infringed the intellectual property rights of third parties. For example, significant litigation regarding patent rights exists in our industry. Our competitors in both the U.S. and foreign countries, many of which have substantially greater resources than we have and have made substantial investments in competing technologies, may have applied for or obtained, or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make and sell our products and services. We have not conducted an independent review of patents issued to third parties. The large number of patents, the rapid rate of new patent issuances, the complexities of the technology involved and uncertainty of litigation increase the risk of business assets and management s attention being diverted to patent litigation.

It is possible that third parties will make claims of infringement against us or against our licenses in connection with their use of our technology. Any claims, even those without merit, could:

- be expensive and time-consuming to defend;

- cause us to cease making, licensing, using or selling equipment, services or products that incorporate the challenged intellectual property;
- require us to redesign our equipment, services or products, if feasible;
- divert management s attention and resources; and
- require us to enter into royalty or licensing agreements in order to obtain the right to use necessary intellectual property.

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Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. A successful claim of infringement against us or one of our licensees in connection with a third party s use of our technology could result in our being required to pay significant damages, enter into costly license or royalty agreements or stop the sale of certain products, any of which could have a negative impact on our operating profits and harm our future prospects.

If our products infringe on the intellectual property rights of others, we may be required to indemnify our customers for any damages they suffer.

We generally indemnify our customers with respect to infringement by our products of the proprietary rights of third parties. Third parties may assert infringement claims against our customers. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers or may be required to obtain licenses for the products they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our products.

We could be adversely affected by environmental and safety requirements.

We are subject to the requirements of foreign, federal, state and local environmental and occupational health and safety laws and regulations, the violation of which could lead to significant fines and penalties. These requirements are complex, constantly changing and have tended to become more stringent over time. It is possible that these requirements may change or liabilities may arise in the future in a manner that could harm our business, financial condition and results of operations. We cannot assure you that we have been or will be at all times in complete compliance with all such requirements or that we will not incur material costs or liabilities in connection with those requirements in the future.

The loss of key personnel could harm our business, financial condition and results of operations.

Our continued success will largely depend on the efforts and abilities of our executive officers and other key employees. Our ability to effectively sell existing services, develop and introduce new services and integrate certain acquired businesses will also depend on the efforts and abilities of our officers and key employees. Our operations could be adversely affected if, for any reason, a number of these officers or key employees did not remain with us.

We may have difficulty attracting and retaining employees with the requisite skills to execute our growth plans.

Our success depends, in part, on the continued service of our existing management and technical personnel. If a significant number of those individuals are unable or unwilling to continue in their present positions, we will have difficulty maintaining and enhancing our services. This may harm our operating results and growth prospects. Specifically, our services require detailed knowledge of wireless signaling standards and signaling network protocols. These specific skills are difficult to find in prospective employees.

Our plans for global expansion will require these same skills combined with fluency in multiple languages. It is difficult to compete for employees with such skills in remote markets where we do not have an established presence. Most of said potential employees have the opportunity to work for well-recognized companies with greater market presence.

Our ability to use existing net operating losses to offset future taxable income may be subject to certain limitations.

As of September 30, 2004, we had net operating loss carryforwards, or NOLs, for U.S. federal income tax purposes of approximately $77 million. We succeeded to approximately $74 million of those NOLs pursuant to a

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state law merger with Brience, Inc., now known as Syniverse Brience. The merger was treated as a tax-free reorganization under the Internal Revenue Code of 1986, as amended (the Code). If the Internal Revenue Service were to successfully challenge the reorganization or otherwise to successfully disallow our use of such NOLs, the amount of our NOLs would be substantially reduced. All of our NOLs remain subject to examination and adjustment by the Internal Revenue Service.

We do not believe that any of our NOLs are currently subject to any limitation under Section 382 of the Code. However, the NOLs acquired from Brience are subject to the separate return limitation rules under the consolidated return regulations. As a result, these NOLs generally can be utilized only to offset income from the consolidated group of corporations or their successors that generated such losses. In addition, under Section 382 of the Code, a corporation that undergoes an ownership change generally may utilize its pre-change NOLs only to the extent of an annual amount determined by multiplying the applicable long-term tax exempt rate by the equity value of such corporation. A corporation generally undergoes an ownership change if the percentage of stock of the corporation owned by one or more 5% stockholders has increased by more than 50 percentage points over a three-year period. We do not expect the consummation of this offering to result in an ownership change under Section 382 of the Code. We believe the cumulative change in ownership for the corporate successor to Brience for the three-year period including this offering will be approximately 43%, or 46% if the underwriters exercise their option in full.

It is impossible for us to ensure that an ownership change will not occur in the future as changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. For example, the sale by one or more 5% stockholders of our common stock and changes in the beneficial ownership of such stock could result in an ownership change under Section 382 of the Code. Similarly, the exercise of outstanding stock options by our employees would count for purposes of determining whether we had an ownership change. Although all of our directors, executive officers and principal and selling stockholders, as well as certain of our other stockholders, have agreed to 180-day lock-up periods, certain transfers are permitted during the lock-up period and Lehman Brothers Inc. and Goldman, Sachs & Co. may waive compliance with the lock-up agreements. None of our stockholders has otherwise agreed to continue its ownership of our common stock.

If we or the corporate successor to Brience undergoes an ownership change, our ability to utilize NOLs could be limited by Section 382 of the Code. The extent to which our use of our NOLs would be limited depends on a number of legal and factual determinations, some of which may be subject to varying interpretations, including the date on which an ownership change occurs, the long-term tax exempt rate, whether the equity value of the entire company or only one or more of its subsidiaries would be used in the application of the Section 382 limitation and the equity value of the company or such subsidiaries, as applicable. If an ownership change occurs prior to July 23, 2005, there is a significant risk that the amount of NOLs acquired from Brience that would be useable in any one year after the ownership change would be severely limited. If the limitation were significant, our limited ability to use these NOLs to offset future taxable income could materially increase our future U.S. federal income tax liability.

Our historical financial information may have limited relevance.

The historical financial information we include in this prospectus for periods ending prior to February 14, 2002 may not reflect what our results of operations, financial position and cash flows would have been had we been a separate, stand-alone entity during the periods presented or what our results of operations, financial position and cash flows will be in the future. This is because:

- we have made certain adjustments and allocations in our financial statements because Verizon did not account for us as, and we were not operated as, a single stand-alone business, for any of the periods presented; and

- the information does not reflect many significant changes that have occurred as a result of our separation from Verizon.

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In addition, our results include historical financial results for certain periods of Brience, Inc., which we acquired on July 23, 2003. The transaction has been accounted for as a combination of entities under common control, similar to a pooling of interests, from February 14, 2002, the date when funds associated with GTCR had common control of both entities. Prior to the acquisition, Brience had significant losses, which have been pooled into our results and may not be relevant due to the differences between Brience s management team and business strategy and ours.

We will incur increased costs as a result of recently enacted and proposed changes in laws and regulations.

Recently enacted and proposed changes in the laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act of 2002 and rules proposed by the Securities and Exchange Commission and by the New York Stock Exchange, will result in increased costs to us, including those related to corporate governance and the costs to operate as a public company. Section 404 of the Sarbanes-Oxley Act requires companies to perform a comprehensive and costly evaluation of their internal controls. The new rules could also make it more difficult or more costly for us to obtain certain types of insurance, including directors and officers liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. We are presently evaluating and monitoring developments with respect to new and proposed rules and cannot predict or estimate the amount of the additional costs we will incur or the timing of such costs.

Risks Relating to this Offering

Future sales of our common stock may cause our stock price to decline.

If our stockholders sell substantial amounts of our common stock in the public market following this offering and assuming no exercise of the underwriters option, the market price of our common stock could decline. Based on shares outstanding as of February 9, 2005, upon completion of this offering, we will have 67,667,226 shares of common stock outstanding, excluding 311,311 shares of common stock issuable upon the exercise of outstanding options.

All of the shares of our common stock sold in this offering will be freely tradable, without restriction, in the public market. These shares will represent approximately 26.0% of our common stock upon completion of this offering. Of the remaining shares:

- 44,606,573 shares held by our principal stockholders will be eligible for sale in the public market after the applicable lock-up period expires, subject to compliance with the volume limitations and other conditions of Rule 144, and

- 5,304,723 shares held by our directors and executive officers will be eligible for sale in the public market after the applicable lock-up period expires, subject to compliance with the volume limitations and other conditions of Rule 144.

Furthermore, an additional 211,809 shares may be issued in the future upon exercise of options granted, options to be granted or equity awards to be granted under our stock option and incentive compensation plans. We expect to register these shares under the Securities Act, and therefore the shares will be freely tradable when issued, subject to compliance with the volume limitations and other conditions of Rule 144 in the case of shares sold by persons deemed to be our affiliates.

We, all of our directors and executive officers and certain of our stockholders have agreed that, for a period of 180 days from the date of the final prospectus, we and they, subject to certain exceptions, will not, without the prior written consent of each of Lehman Brothers Inc. and Goldman, Sachs & Co., dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock. Lehman Brothers Inc. and Goldman, Sachs & Co. may release any of the securities subject to these lock-up agreements at any time without notice.

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The trading price of our common stock is likely to be volatile, and you may not be able to sell your shares at or above the initial public offering price.

The trading prices of the securities of technology companies have been highly volatile. Accordingly, the trading price of our common stock is likely to be subject to wide fluctuations. Factors that will affect the trading price of our common stock include:

- variations in operating results;
- announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;
- the gain or loss of significant customers;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock;
- terrorist acts and political instability; and
- market conditions in our industry, the industries of our customers and the economy as a whole.

In addition, if the market for technology stocks, or the stock market in general, experiences continued or increased loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition.

As a new investor, you will incur substantial dilution as a result of this offering and future equity issuances.

The initial public offering price will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock. As a result, investors purchasing common stock in this offering will incur immediate dilution of $20.53 per share. This dilution is due in large part to earlier investors in our company having paid substantially less than the initial public offering price when they purchased their shares. The exercise of outstanding options and future equity issuances, including any additional shares issued in connection with acquisitions, may result in further dilution to investors.

We will continue to be controlled by GTCR, which will limit your ability to influence corporate activities.

Upon completion of this offering, GTCR will have three representatives on our ten-member board of directors and will own or control shares representing, in the aggregate, a 58.2% voting interest in the company, or 55.7% if the underwriters exercise their option in full. Accordingly, GTCR will exercise significant influence over our operations and business strategy and will be able to control the outcome of votes on all matters requiring approval by our stockholders, including the election of directors and approval of significant corporate transactions, such as

mergers or other business combinations. This concentration of ownership may also have the effect of delaying or preventing a change in control of our company or discouraging others from making tender offers for our shares, which could prevent stockholders from receiving a premium for their shares. These actions may be taken even if other stockholders oppose them.

We are a controlled company within the meaning of the New York Stock Exchange rules and as a result will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Because funds affiliated with GTCR will own in excess of 50% of our outstanding shares of voting stock after the completion of this offering, we will be deemed a controlled company under the rules of the New York Stock Exchange. As a result, we will qualify for, and intend to rely upon, the controlled company exception to the board of directors and committee requirements under the rules of the New York Stock Exchange. Pursuant to this exception, so long as the GTCR-affiliated funds continue to own more than 50% of our outstanding shares of voting stock, we will be exempt from the rules that would otherwise require that our board of directors be comprised of a majority of independent directors, and that our compensation committee and nominating and corporate governance committee be comprised solely of independent directors as defined under the rules of the

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New York Stock Exchange. Upon completion of this offering, our board of directors will be comprised of ten persons, three of whom will be representatives of the GTCR-affiliated funds. Accordingly, our stockholders will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements. For more information, see Management Board Committees.

Conflicts of interest may arise because some of our directors are principals of our controlling stockholder.

Upon completion of this offering, three representatives of GTCR will serve on our ten-member board of directors. GTCR and its affiliates currently have interests in other companies, one of which, TNS, Inc., competes with our network services. GTCR and its affiliates collectively own approximately 55% of the common stock of TNS, Inc. GTCR and its affiliates may continue to invest in entities that directly or indirectly compete with us or companies in which they currently invest may begin competing with us. As a result of these relationships, when conflicts between the interests of GTCR and the interests of our other stockholders arise, these directors may not be disinterested. Although our directors and officers have a duty of loyalty to us, under Delaware law and our amended and restated certificate of incorporation that will be adopted in connection with this offering, transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as (1) the material facts relating to the director s or officer s relationship or interest as to the transaction are disclosed to our board of directors and a majority of our disinterested directors approves the transaction, (2) the material facts relating to the director s or officer s relationship or interest as to the transaction are disclosed to our stockholders and a majority of our disinterested stockholders approves the transaction or (3) the transaction is otherwise fair to us. Our amended and restated certificate of incorporation will also provide that GTCR and its representatives will not be required to offer any transaction opportunity of which they become aware to us and could take any such opportunity for themselves or offer it to other companies in which they have an investment, including TNS, Inc.

We will incur significant charges in connection with this offering.

Based on December 31, 2004 balances, we anticipate incurring a pre-tax charge of approximately $23.7 million on the early extinguishment of debt with the proceeds of this offering. This relates to the non-cash write-off of $5.9 million of unamortized deferred financing costs and $5.5 million of unamortized debt discount relating to the existing senior credit facility and the tendered portion of the senior subordinated notes, as well as an estimated $12.3 million cash charge related to the prepayment premium on the tendered portion of the senior subordinated notes.

There is currently no public market for our common stock and an active market may not develop or persist after this offering.

We negotiated and determined the initial public offering price with representatives of the underwriters. This price may not be indicative of prices that will prevail in the trading market. As a result, you may not be able to sell your shares of common stock at or above the offering price.

We do not currently intend to pay any dividends on our common stock, and as a result, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We have never declared or paid any cash dividends on our common stock, and we do not expect to declare or pay any cash dividends on our common stock in the foreseeable future. In addition, our existing senior credit facility and the indenture governing our senior subordinated notes contain limitations on our ability to declare and pay cash dividends on our common stock. For more information, see Dividend Policy. As a result, your only opportunity to achieve a return on your investment in our company will be if the market price of our common stock appreciates

and you sell your shares at a profit. We cannot assure you that the market price for our common stock after this offering will ever exceed the price that you pay for our common stock in this offering.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this prospectus. These statements may be found throughout this prospectus, particularly under the headings Prospectus Summary, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Business, among others. Specifically, under the headings Prospectus Summary Recent Developments and Management s Discussion and Analysis of Financial Condition and Results of Operations Revenues, we have made a number of forward-looking statements regarding future revenues from our primary service offerings. The words believes, anticipates, plans, expects, intends, estimates and similar expressions are intende identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The factors listed under the heading Risk Factors and in other sections of this prospectus provide examples of risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements in this prospectus are based on information available to us on the date of this prospectus. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this prospectus.

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USE OF PROCEEDS

We will receive net proceeds from this offering of approximately $261.9 million after deducting underwriting discounts and commissions and other estimated offering expenses payable by us. We intend to use our net proceeds from this offering, together with $240.0 million of borrowings under our new senior credit facility, which we intend to enter into in connection with this offering, and our existing cash and cash equivalents, which we refer to collectively as the aggregate cash sources as follows based on December 31, 2004 balances:

$176.5 million to redeem approximately 126,437 shares of our class A cumulative redeemable convertible preferred stock, most of which is held by funds controlled by GTCR and some of which is indirectly held by current and former employees of Lehman Brothers Inc.;

$220.1 million to repay all borrowings outstanding under our existing senior credit facility;

$98.7 million to tender for $85.8 million in aggregate outstanding principal amount of our 12 3/4% senior subordinated notes;

$1.6 million to pay financing costs for the new senior credit facility; and

$2.4 million to pay accrued interest on our existing senior credit facility.

Based on account balances reflected on our December 31, 2004 balance sheet, we expect that such remaining aggregate cash sources would have been approximately $2.6 million.

If the underwriters exercise their option, a portion of the shares purchased by the underwriters will be issued by us and a portion of the shares will be sold by the selling stockholders. The selling stockholders include members of our senior management team. If the underwriters exercise their option in full, we estimate that we will receive net proceeds from the underwriters exercise of their option of approximately $29.3 million after deducting underwriting discounts and commissions. We intend to use any net proceeds we receive from the underwriters exercise of their option to redeem additional shares of our class A cumulative redeemable convertible preferred stock. We will not receive any proceeds from the sale of shares, if any, by the selling stockholders.

As of December 31, 2004, our existing indebtedness that we will repay with a portion of the net proceeds from this offering and the preferred stock that we will redeem with a portion of the net proceeds from this offering consisted of the following:

approximately $176.5 million in aggregate liquidation value of our class A cumulative redeemable convertible preferred stock, which currently accrues dividends at a rate of 10% per annum on the sum of the liquidation value plus all accumulated and unpaid dividends;

approximately $85.8 million of our senior subordinated notes, which bear interest at a rate of 12 3/4% per annum and have a final maturity on February 1, 2009; and

approximately $220.1 million under the term loan B portion of our existing senior credit facility, which bears interest at variable rates (4.8% weighted average interest rate at September 30, 2004) and has a final maturity of September 30, 2010.

In the aggregate, we expect that GTCR and its affiliates, through their ownership of preferred and common units of Syniverse Holdings, LLC, will receive approximately $154.5 million of the net proceeds from this offering. See Certain Relationships and Related Party Transactions. In addition, certain current and former employees of Lehman Brothers Inc. who indirectly own shares of our class A cumulative redeemable convertible preferred stock will receive a portion of the net proceeds of this offering upon our redemption of those shares, which proceeds will not exceed $250,000 in the aggregate. Each share of our outstanding class A cumulative redeemable convertible preferred stock that we do not redeem with the net proceeds of this offering will be converted, within 45 days after the completion of this offering, into a number of shares of our common stock determined by dividing the liquidation value of $1,000 per share of our class A cumulative redeemable convertible preferred stock plus all accumulated and unpaid dividends thereon through the closing date of this offering by the initial public offering price of our common stock in this offering.

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DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We do not expect to pay any cash dividends for the foreseeable future. We currently intend to retain any future earnings to finance our operations and growth. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent on earnings, financial condition, operating results, capital requirements, any contractual restrictions and other factors that our board of directors deems relevant. In addition, our existing senior credit facility and our indenture governing our senior subordinated notes contain, and our new senior credit facility will contain, limitations on our ability to declare and pay cash dividends.

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DILUTION

If you invest in our common stock through this offering, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of common stock upon the completion of this offering.

Net tangible book value per share represents the amount of our total assets less intangible assets (namely goodwill, customer base, customer contract and deferred costs), total liabilities, divided by the number of shares of our common stock outstanding. After giving effect to the sale of 17,620,000 shares of common stock offered by us in this offering, at an initial public offering price of $16.00 per share and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book deficit as of September 30, 2004 would have equaled approximately $4.53 per share of common stock. This represents an immediate increase in net tangible book value of $4.72 per share to our existing stockholders and an immediate dilution in net tangible book value of $20.53 per share to new investors in our common stock in this offering.

The following table summarizes this per share dilution:

Public offering price per share		$ 16.00
Net tangible book deficit per share as of September 30, 2004	$ 9.25	
Increase per share attributable to this offering	4.72	
Pro forma net tangible book deficit per share after this offering		4.53
Dilution per share to new investors		$ 20.53

The following table summarizes on a pro forma basis, as of September 30, 2004, the difference between our existing stockholders and new investors with respect to the number of shares of common st