SYNIVERSE TECHNOLOGIES INC
Form 10-K/A
September 23, 2005
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U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2003

OR

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

For the transition period from to

COMMISSION FILE NUMBER 333-88168

SYNIVERSE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-1262301**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

One Tampa City Center, Suite 700

Tampa, Fl 33602

(Address of principal executive office)

(Zip code)

(813) 273-3000

(Registrant s telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: None

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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 past 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 x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K/A or any amendment to this Form 10-K/A. x

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of September 23, 2005, there were 1,000 shares of Syniverse Technologies, Inc. s no par value common stock outstanding, which are owned of record by Syniverse Holdings, Inc.

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EXPLANATORY NOTE

This Amendment No. 1 to annual report on Form 10-K/A (Amendment No. 1) is being filed to amend the annual report on Form 10-K of Syniverse Technologies, Inc. and Syniverse Holdings, LLC for the fiscal year ended December 31, 2003, which was originally filed on March 26, 2004 (Original Form 10-K). This Form 10-K/A is being filed in response to comments that the Staff of the Securities and Exchange Commission made to the Registration Statement on Form S-1 of Syniverse Holdings, Inc. (the Registration Statement), the parent company of Syniverse Technologies, Inc. This Amendment No. 1 amends certain sections of the Original Form 10-K to conform those sections to corresponding disclosures made in the Registration Statement. Syniverse Holdings, LLC dissolved and filed a Form 15 with the Securities and Exchange Commission in February 2005. As a result, this Amendment No. 1 is being filed only by Syniverse Technologies, Inc.

Except as otherwise expressly stated, the information in this Amendment No. 1 is as of March 26, 2004, the date on which the Original Form 10-K was filed, and this Amendment No. 1 does not purport to provide an update or discussion of any developments subsequent to the original filing date.

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SYNIVERSE TECHNOLOGIES, INC.

FORM 10-K/A

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PART I

ITEM 1. BUSINESS

Overview

We are a global communications technology company specializing in innovative business and network engineering solutions that manage and interconnect voice and data systems throughout the world. Our services include transaction-based, network, number portability, technology interoperability, call processing and other outsourcing services that simplify the interconnection and management of complex voice and data networks. We address technology interoperability complexities as the largest clearinghouse in the United States for the billing and settlement of wireless roaming telephone calls, with an estimated market share of approximately 60% in 2003 based on wireless subscribers. We also own one of the largest unaffiliated Signaling System 7 (SS7) networks in the United States. SS7 is the telecommunication industry s standard network signaling protocol used by nearly all carriers to enable the setup and delivery of wireless and wireline telephone calls. Our network services also allow our customers to access intelligent network services and monitor network performance and subscriber activity on a real-time basis. In addition, we are the industry s leading developer and provider of call processing solutions that enable seamless regional, national and international wireless roaming telephone service. We are the leading provider of wireless local number portability (WLNP) in the United States, having developed and launched the wireless industry s only end-to-end solution for wireless carriers. Our full suite of products addresses pre-provisioning of subscribers, intercarrier communication necessary for actual porting to a new carrier, and porting failures, known as fallout. Our solutions are offered as either service bureau or turnkey, providing flexibility for carriers and creating a significant recurring revenue stream for us. We have dominant market share for WLNP based on contracts with five of the top six U.S. carriers, representing 92% of the available intercarrier communications service bureau customers, and 70% of the inter-carrier communications clearinghouse market.

Effective March 1, 2004 we changed our corporate name. TSI Telecommunication Holdings LLC became Syniverse Holdings, LLC and TSI Telecommunication Services Inc. became Syniverse Technologies, Inc. In addition, our other subsidiaries also changed their names on this date as follows: TSI Telecommunication Holdings Inc. to Syniverse Holdings, Inc.; TSI Finance Company to Syniverse Finance, Inc.; TSI Telecommunication Networks Inc. to Syniverse Networks, Inc.; TSI Telecommunication Services, BV to Syniverse Technologies, BV; and TSI Brience, LLC to Syniverse Brience, LLC.

Industry Trends

Demand for our services is driven primarily by the number of wireless telephone subscribers, the volume of wireless roaming telephone calls, government mandated changes within the telecommunications industry and the increasing technological complexities associated with the proliferation of different communication standards and protocols within telecommunication networks worldwide. The number of U.S. wireless subscribers has grown from 16 million in 1993 to 158 million in 2003, according to the Cellular Telecommunications and Internet Association (CTIA). The U.S. wireless subscriber base is expected to grow to 185 million by 2007 according to the Telecommunications Industry Association (TIA). According to the TIA and Wilkofsky Gruen Associates, wireless is the fastest growing segment of the telecommunications industry. In 2002, the worldwide wireless subscriber base expanded by 6.3 percent to 905 million, with the largest number of subscribers, 417 million, in Asia Pacific, followed by Western Europe at 308 million (TIA). In conjunction with the projected growth in the number of U.S. and worldwide wireless subscribers, we believe the annual number of billable wireless roaming telephone calls will also continue to increase. Growth in wireless subscribers and wireless roaming telephone calls has been driven by improved wireless service quality, decreased cost of service and increased wireless telephone service coverage both in the U.S. and abroad. Wireless telephone service coverage has increased due to the build out of networks in new and existing markets and increased roaming arrangements among carriers that allow subscribers of one carrier to use another carrier s network while traveling out of the subscribers home market.

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These developments have been accompanied by increased technological complexities associated with the proliferation of different network architectures, including various mobile switch types (e.g., Lucent, Nortel, Ericsson and Motorola), diverse signaling standards (e.g., CDMA, TDMA GSM, iDEN, 1xRTT, Wi-Fi), distinct billing record formats (e.g., CIBER, TAP and RADIUS) and multiple network protocols (e.g., X.25, Frame Relay, SS7 and IP). Despite these complexities, wireless carriers are required to provide seamless regional, national and international wireless telephone service coverage in order to attract and retain subscribers. We expect these complexities to increase as wireless carriers introduce new network technologies to enable wireless messaging, data, e-commerce and Wi-Fi access.

The federal mandate requiring carriers to offer WLNP by November 24, 2004 was an added complexity to the wireless industry. The implementation of WLNP impacts nearly every system within a carrier s operations, including network signaling and routing, switching, billing, point of sale systems and customer service procedures and systems. The Federal Communications Commission (FCC) mandate, which allows customers to change their telecommunication service provider while keeping their existing telephone number, recommends wireless carriers to change or port and activate a customer s service within 2.5 business hours of the initial customer request. Commencing November 24, 2003, wireless operators in the top 100 markets in the United States had to offer full portability throughout their networks, including the ability to support roaming. Second and third tier markets must offer portability by May 24, 2004. To port numbers, carriers need to exchange information with other carriers and transmit information to the regional Number Portability Administration Centers (NPACs). The business and technical impacts of this mandate present significant opportunities for us to assist these carriers in both the implementation and the ongoing service, since these WLNP technical solutions are not generally viewed as a core competency of carriers.

These technological challenges have made revenue assurance, cost management and delivery of quality service increasingly difficult for carriers. As a result, we believe wireless carriers will increasingly utilize trusted third-party service providers, such as us, that offer outsourced solutions to assist in the management of interoperability, network, number portability and call processing complexities. We believe we offer the most comprehensive and advanced suite of services to meet these carriers needs. Our proven capabilities position us well to continue developing innovative solutions to enhance the technological advantages of our services and meet the industry s evolving requirements.

Services

We provide a diverse set of services to meet the evolving requirements of the telecommunications industry. These services include:

Network Services. We provide our customers with connectivity to our SS7 network and other widely used communications networks (e.g., X.25, Frame Relay and IP). SS7 is the telecommunication industry s standard network signaling protocol used by almost every carrier in North America to enable the setup and delivery of wireless and wireline telephone calls. A telephone call has two components: the call content (e.g., voice, video or data) and the signaling information (e.g., caller information, number called and subscriber validation). SS7 is the transport network for this signaling information. We also provide Web-based analysis and reporting services, allowing our customers to access real-time subscriber activity, monitor their networks, troubleshoot customer care issues and handle network management tasks seamlessly. In addition, use of our SS7 network facilitates access to intelligent network services, such as local number portability (LNP), line information database (LIDB), toll-free database and caller name. We also offer software and services that enable secure application and mobile data communication across multiple devices, software platforms, and networks. Mobile Processing Server (MPS) is an integrated software design and development environment for building mobile solutions that provide a compelling user experience across multiple devices.

Number Porting Services. The Telecommunications Act of 1996 mandates number portability as a means to promote competition for phone service. Number portability means that a subscriber can switch

telephone service provider but retain the existing telephone number. Wireline carriers in the largest markets have offered number portability since 1998. After numerous delays and postponements, wireless carriers in the top 100 markets were required to offer WLNP as of November 24, 2003. The implementation of WLNP fundamentally changed the way the wireless industry identifies phone numbers and routes calls. Additionally, porting a number from one carrier to another is an exceedingly complex process that minimally requires eleven transactions or exchanges of information between carriers and between carriers and the NPAC. Furthermore, the method for porting a wireline number to a wireless phone is not standardized. We developed the industry s only end-to-end, fully integrated suite of services to enable wireless carriers to meet the FCC-mandated November 2003 deadline for WLNP. Our suite of WLNP services address inter-carrier communication, communication with the NPAC and system and help desk troubleshooting that is necessary when ports fail, known as fallout. Similarly, we have contracts to provide this same WLNP services to other carriers as they strive to meet the May 2004 deadlines for the secondary and tertiary markets.

Technology Interoperability Services. We address technology interoperability complexities by acting as the primary point of contact for hundreds of wireless carriers for the processing of roaming billing, short message service (SMS), and multi-media messaging (MMS) transactions across substantially all network, signaling, billing and messaging standards.

Call Processing Services. We offer telecommunication carriers comprehensive call processing services that employ advanced technologies to provide subscriber verification, call delivery and technical fraud detection and prevention regardless of switch type, billing format or signaling standard.

Enterprise Solutions. We provide other value-added outsourcing services including a telematics solution that enables trucking and distribution companies to track vehicle location and improve fleet utilization, and outsourced services that enhance carriers ability to manage and consolidate billing for their enterprise customer accounts.

Our revenues are primarily generated from transaction-based processing fees. These fees are based on the number of roaming calls/events, the number of automatic, periodic electronic signals sent over our network to locate and track subscribers, number portability transactions and database dips, and the number of call detail and billing records cleared. Each time a mobile phone user turns on their phone, a transaction is generated. Further use of the phone to place or receive calls or to use specialized services generates transactions for which we can charge the wireless service provider.

In addition, we earn fixed monthly fees for network connections, principally to our SS7 network, as well as circuit and port fees. To a lesser extent, we also earn implementation fees such as those related to the WLNP implementation services.

Customers

We serve more than 290 customers including telecommunication service providers, wireline carriers, content developers and enterprises worldwide. Our customer base includes all of the top ten wireless carriers in the United States, including AT&T Wireless, Cingular Wireless, Sprint PCS, Verizon Wireless, and Nextel. We also serve wireless companies in Latin America, Asia Pacific and Europe, including, among others, China Unicom, Vodaphone Japan, NTT DoCoMo, T-Mobile International, Telstra, Telefónica, and Telcel. In addition, we provide services to wireline providers such as competitive local exchange carriers, local exchange carriers and interexchange carriers. We have a revenue guaranty agreement with respect to revenues from our largest customer, Verizon Wireless. See Certain Relationships and Related Transactions.

Our top ten customers accounted for approximately 56.3% of our revenues for the year ended December 31, 2003. Verizon Communications, Verizon Wireless and their affiliates, which collectively is our largest customer, accounted for approximately 23.2% and 30.9% of our revenues for the years ended December 31, 2003 and 2002, respectively. The percentage of our revenues derived from customers outside the United States was 12.2% and 9.5% for the same periods, respectively.

Competitive Strengths

We believe that the following strengths will allow us to continue to enhance our revenues, our operating profitability and cash flow:

Market leader in wireless technology interoperability and call processing. We believe that we offer the most comprehensive and advanced suite of technology interoperability and call processing services to the telecommunication industry. Our technology interoperability services are designed to allow seamless communications between wireless carriers regardless of the communication standards and protocols deployed on their networks. We are the largest wireless clearinghouse in the United States, processing nearly 60% based on wireless subscribers. Wireless clearing and financial settlement support has been a core service offering since our inception and has allowed us to develop trusted third-party relationships with many telecommunication service providers by securely accessing and managing their proprietary subscriber and network data. In addition, we developed many of the wireless industry s first and leading call processing solutions that enable wireless customers to make and receive calls while roaming regionally, nationally or internationally.

Market leader in wireless number portability. We are the leading provider of WLNP in the United States, having developed and launched the wireless industry s only end-to-end solution for wireless carriers. Our full suite of products addresses pre-provisioning of subscribers, intercarrier communication necessary for actual porting to a new carrier, and porting failures, known as fallout. Our solutions are offered as either service bureau or turnkey, providing flexibility for carriers and creating a significant recurring revenue stream for us. We have dominant market share for WLNP based on contracts with five of the top six U.S. carriers, representing 92% of the available intercarrier communications service bureau customers, and 70% of the inter-carrier communications clearinghouse market.

Premier SS7 network provider. We own and operate one of the largest unaffiliated SS7 networks in North America and provide complementary intelligent network and network monitoring services to telecommunication and data network providers. As a single SS7 and intelligent network services source, we provide our customers cost-effective connectivity to the signaling networks of substantially the entire U.S. public-switched telecommunication network, connectivity to international gateways as well as an array of network-enabled services. We believe our SS7 services will continue to grow as carriers as well as enterprise customers increasingly outsource SS7 network connectivity, management and monitoring. We believe this outsourcing trend by carriers is and will continue to be driven by the significant capital required to build a national SS7 network, the cost of providing the required connectivity to all the major domestic SS7 network providers and the technical expertise required to manage the network. Additionally, demand continues to grow for the ancillary services that the SS7 network supports, such as advanced calling features.

Strong customer relationships. Historically, we have experienced minimal customer turnover with contract renewal rates averaging approximately 88% over the last three years. We serve more than 290 telecommunication service providers worldwide. We currently serve all of the top ten wireless carriers in the United States and provide services to a variety of wireline providers. We also have a highly active and respected customer users group, which consists of representatives from over 200 customers including AT&T Wireless, Cingular Wireless, Sprint PCS, Verizon Wireless and Nextel. The Syniverse Users Group allows customers to play a significant role in the development, enhancement and evaluation of our services through regular meetings. Interaction with this group reduces our research and development expenses and speeds new product development, enhancement and market introduction.

History of innovative product development. We have built our business and reputation by continually identifying new opportunities in the telecommunication marketplace and designing comprehensive solutions that meet carriers evolving technology interoperability, network and call processing needs. Our history includes the development of (i) the first automatic roaming call delivery service (Follow Me Roaming), (ii) the first online roaming subscriber monitoring and support system for the industry (Visibility), (iii) the first commercial fraud profiler (FraudX), (iv) the first seamless international

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roaming solution (UniRoam), (v) our own proprietary IS-41 call processor and (vi) the first nationwide telematics application (OnStar). Most recently, we developed the industry s only end-to-end integrated WLNP suite of services. In addition, we are recognized as a leader in defining and developing industry standards through our work with organizations such as the CTIA, GSM Association (GSMA), CDMA Development Group (CDG) and CIBERNET. For example, we were one of the primary leaders within the GSMA in developing its globally deployed uniform billing standard, TAP3. More recent innovations include the development of a comprehensive suite of services to implement and manage WLNP including service order administration, inter-carrier communications, fallout management, work flow management and porting center management and administration.

Proven business model. We offer mission-critical business and network engineering solutions that manage and interconnect voice and data systems in 26 countries throughout North America, Central and Latin America, Asia Pacific and Europe through a service bureau model that provides us with a strong base of recurring revenues and cash flows. We believe that the cost, time and potential disruption incurred by a customer in moving to a competitor s service offering are significant, further strengthening the stability of our revenue base.

Positioned to capitalize on emerging communication industry technologies. We believe the introduction of 2.5G and 3G wireless services (i.e., EDGE, GPRS, wCDMA, CDMA2000 and 1xRTT) will increase the technological complexity of wireless networks and increase the demand for our suite of services. We also believe that our market leadership, strong customer relationships and technical expertise position us well to capitalize both on next generation networks and emerging mobile data technology complexities. In addition, as one of the largest providers of outsourced SS7 and intelligent network services in the United States, we are strategically positioned to provide services to traditional wireless and wireline telecommunication providers, as well as Internet Protocol-based (IP-based) service providers who must access existing public-switched telecommunication networks to serve and expand their customer base. Likewise, we are well positioned to provide consultation and services to new entrants to the telecom market such as Internet content and application developers and wireless local area network (WLAN) providers.

Business Strategy

We intend to continue to strengthen our market leadership position, maximize profitability and enhance cash flow through the following strategies:

Further penetrate our existing customer base. We intend to continue to aggressively market our current suite of services to our existing customers in order to further diversify our revenue stream and increase per customer revenues. We believe there are significant opportunities to cross-sell our services and further penetrate our existing customers. Many of our customers purchase multiple services from us, but they do not currently purchase all of our available services.

Enhance existing services suite through continued development. We intend to continue addressing customer needs and drive industry standards with industry-leading innovations that enhance the technological advantage of our services. One of our strengths is the technological sophistication and functionality of our services. We take a collaborative approach to service development, leveraging our strong customer relationships as well as our central role in information exchange and problem definition within the wireless industry to continue to meet the demands of our customer base.

Develop innovative new services. We are dedicated to understanding the requirements of our customer base and developing innovative new services to meet the industry s evolving network, number portability, technology interoperability, and call processing needs. Throughout our history, we have been successful in identifying and developing mission-critical solutions for carriers. Through our relationships, ongoing dialogue with customers and participation in various industry organizations, we believe we will continue to identify emerging carrier technology complexities. We believe that our proven internal capabilities position us well to develop innovative services to respond to and solve these industry needs.

Capitalize on near-term opportunity in the emerging mobile data market. We are well positioned to capitalize on the emerging mobile data market. Our private IP data service, Inpack, provides connectivity between carriers to allow roaming GSM subscribers to access their home carrier s data services. Our Message Manager and Multi-Media Service interoperability solutions enables network access, protocol translation and conversion, routing and delivery of SMS and MMS across carrier networks. Our Event Manager solution addresses clearing and financial settlement for IP-based events such as messaging, m-commerce, mobile financial information services and transactions and Internet content.

Demand is growing for mobile, high-speed access to the Internet, corporate intranet and other data applications while traveling. Virtual workspaces are being deployed in airports, hotels, cafés and home offices by wireless Internet service providers (WISPs) in these venues. To meet the demand for this type of wireless connectivity, operators must supplement their networks with wireless local area network (WLAN) or Wi-Fi access. Our suite of Wi-Fi services addresses the interoperability and business needs associated with this rapidly emerging service. We believe all of these services will help carriers solve the complexities that arise from the deployment of new wireless data technologies.

Penetrate global markets. The number of global wireless subscribers is expected to grow from 1.3 billion in 2003 to over 2.2 billion by 2005, according to the market research firm EMC (London). We are pursuing additional expansion opportunities in markets outside of North America that we believe will experience high growth and consequently have physically located sales and technical support personnel in Europe and Asia Pacific and are targeting opportunities in Central and Latin America, Europe and Asia/Pacific. In February 2003, we opened an office in The Netherlands that is headed by a managing director with a sales and business development staff. The acquisition of Softwright in December 2003 provides us with in-region technical support and development capabilities. We have developed customer relationships with China Unicom, NTT DoCoMo, Hutchison, T-Mobile International, Telefónica and Telstra, among others, many of whom own additional properties throughout the world. Demand for our services globally is driven by carriers needs to interconnect national and regional networks to facilitate international wireless roaming and financial clearing and settlement. In addition, complications arising from geographic variations in switch software, message routing standards, network transport and signaling protocols create opportunities to leverage our strong capabilities.

Expand customer base. We seek to expand our customer base by targeting new telecommunication carriers, as well as customers outside of the traditional wireless and wireline telecommunication services industry. We believe that our separation from Verizon Communications Inc. may allow us to sell additional services to existing customers and to new customers that are Verizon competitors that may have been concerned that using our services would benefit Verizon. In addition, the convergence of traditional telecommunication networks and IP networks has increased communications complexities and expanded the number of market participants, which include Internet service providers (ISPs), WISPs, content providers, enterprises, mobile virtual network operators (MVNOs) and IP telephony providers. We expect that many of these new market participants will use our technology interoperability, network and call processing services.

Opportunistically acquire complementary businesses. We will explore the possibility of acquiring companies that possess complementary service offerings, technologies and/or customer relationships both in the U.S. and internationally. Through these types of acquisitions, we believe we can broaden our market reach, increase our service offering and enhance our ability to continue providing industry-leading solutions to our customers.

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Industry Overview

Wireless Industry

The first wireless carriers in the United States built out their wireless networks by purchasing licenses for analog spectrum and deploying networks on a regional basis. Since then the number of domestic wireless carriers has grown significantly to include hundreds of domestic wireless carriers. In order to improve the quality and decrease the cost of wireless services, carriers introduced new technologies, including second generation (2G) digital air-interface protocols (e.g., TDMA, CDMA and GSM). The significant growth in wireless subscribers and wireless calls has driven our growth and we believe this trend will continue. The number of U.S. wireless subscribers has grown from 16 million in 1993 to 158 million in 2003, according to the Cellular Telecommunications and Internet Association (CTIA). The U.S. wireless subscriber base is expected to grow to 185 million by 2007 according to the Telecommunications Industry Association (TIA). According to the TIA and Wilkofsky Gruen Associates, wireless is the fastest growing segment of the telecommunications industry. In 2002, the worldwide wireless subscriber base expanded by 6.3 percent to 905 million, with the largest number of subscribers, 417 million, in Asia Pacific, followed by Western Europe at 308 million. The introduction of 3G services over the next four years is expected to push worldwide growth rates into the double digits. (TIA)

With the introduction by carriers of 2.5G and 3G services, we expect that the technological and business complexities of the wireless industry will continue to increase. These complexities will be compounded by the introduction of new technologies (e.g., wCDMA, CDMA2000, EDGE, GPRS and 1xRTT), the inclusion of new industry participants (e.g., MVNOs, content providers, advertisers and enterprises) and the introduction of new and advanced services (e.g., m-commerce, SMS, mobile data, location, security, privacy and gateway functions). Interoperability providers like us will be needed to ensure that legacy systems communicate with emerging technologies. We believe that we are well positioned to continue developing innovative solutions that address these increasing complexities by utilizing our broad base of technological skills and our well-established reputation within the telecommunication industry.

An added complexity to the wireless industry is the federal mandate requiring carriers to offer WLNP. The implementation of WLNP impacts nearly every system within a carrier s operations, including network signaling and routing, switch upgrades, billing, point of sale and customer service. The Federal Communications Commission (FCC) mandate, which allows customers to change their telecommunications service provider while keeping their existing telephone number, recommends wireless carriers to change or port and activate a customer s service within 2.5 business hours of the initial customer request. Beginning November 24, 2003, wireless operators in the top 100 U.S. markets had to offer full portability throughout their networks, including the ability to support roaming. In order to port numbers, carriers need to exchange information with other carriers and transmit information to the regional NPACs. Second and third tier markets must comply with the mandate beginning on May 24, 2004. The business and technical impacts of this mandate present significant revenue opportunities for us, as the implementation and management of WLNP technical solutions is not a core competency of carriers.

Network Services

SS7 is the telecommunication industry s standard network signaling protocol used by substantially all telecommunication carriers to enable the setup and delivery of telephone calls. A telephone call has two components: the call content (e.g., voice, video or data), and the signaling information (e.g., caller information, number called and subscriber validation). The signaling information is transmitted through the SS7 network, parallel to the call networks, thereby eliminating the need to tie up bandwidth on the call network. Specifically, an SS7 network, which can be comprised of hundreds of network links, identifies available call network routes and designates the circuits and switches to be used for each call. This allows the SS7 network to identify the best call routes for connections, to efficiently manage the telephone networks and to generate transaction records for billing and measurement. In addition, use of an SS7 network facilitates access to intelligent network services (e.g., LNP, LIDB, toll-free database and Caller ID). By using our Web-based analysis and reporting services, carriers also have access to our

proprietary analysis and reporting services which enable real-time monitoring and management of their networks and troubleshooting of customer care issues.

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The increasing demand for the transmission of data requires wireless carriers to support packet-switched communications protocols including IP and General Packet Radio Service (GPRS) in addition to their legacy circuit-switched telecommunication networks. GPRS roaming enables subscribers to access their GPRS-based wireless data services (e.g., public Internet, corporate intranets, e-mail and m-commerce) while abroad or beyond the reach of their home network. We believe that we are well positioned, primarily due to our Inpack service offering, to benefit from the growth in the transmission of this type of data traffic.

Number Porting Services

The Telecommunications Act of 1996 mandates number portability as a means to promote competition for phone service. Number portability means that a subscriber can switch telephone service provider but retain the existing telephone number. Wireline carriers in the largest markets have offered number portability since 1998. After numerous delays and postponements, wireless carriers were required to offer WLNP as of November 24, 2003. The implementation of WLNP fundamentally changed the way the wireless industry identifies phone numbers and routes calls. Additionally, porting a number from one carrier to another is an exceedingly complex process that minimally requires eleven transactions or exchanges of information between carriers and between carriers and the NPAC. Furthermore, the method for porting a wireline number to a wireless phone is not standardized. We developed the industry s only end-to-end, fully integrated suite of services to enable wireless carriers to meet the FCC-mandated November 2003 deadline for WLNP. Our suite of WLNP services address inter-carrier communication, communication with the NPAC and system and help desk troubleshooting that is necessary when ports fail, known as fallout.

Technology Interoperability

Growth in wireless subscribers and wireless calls has been driven by improved wireless service quality, decreased costs of service and increased wireless telephone coverage. Wireless telephone coverage has increased due to the build out of networks in new and existing markets and increased roaming arrangements among carriers. The increasing importance to carriers of roaming revenue, the continuing growth in roaming transactions and the necessity for seamless regional, national and international service coverage have made revenue assurance, cost management and delivery of quality service increasingly important for carriers. In order to minimize these complexities, and due to the proprietary nature of subscriber billing and activity data, carriers require a trusted third party to act as the primary contact for the processing of roaming, billing and SMS transactions across substantially all network, signaling and billing standards. We believe we are well positioned to capitalize on expected continued growth in the number of wireless roaming telephone calls and SMS messages.

Call Processing

Improvements in air interface protocols have been accompanied by increasing complexities associated with varying network architectures, including various mobile switch types (e.g., Lucent, Nortel, Ericsson and Motorola), diverse signaling standards (e.g., CDMA, TDMA and GSM), distinct billing record formats (e.g., CIBER and TAP) and multiple billing applications. This multiplicity of technologies may require wireless carriers to use a trusted third party to manage certain functions such as (i) identifying and validating a subscriber when roaming, (ii) obtaining permission from a host carrier to deliver a call, (iii) detecting and preventing fraudulent calls, (iv) providing seamless regional, national and international roaming capabilities, (v) ensuring roamers have the same services when roaming as they do in their home market and (vi) ensuring the call is billed appropriately. These services require extensive table-driven data management. Market forces, switch upgrades and WLNP are causing carriers in the U.S. to migrate from using a third party for call processing to establishing direct SS7 connectivity. As a result, we are experiencing a migration to SS7 and a decrease in call processing revenues.

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Enterprise Solutions

We believe that carriers will continue to outsource to trusted third parties certain operational functions that would require technical expertise and significant capital to implement in-house. We believe that many wireless carriers currently are capital constrained and are focused primarily on operational issues that most directly affect revenue and subscriber growth. These issues include increasing network capacity, integrating recent acquisitions, reducing customer churn, increasing ARPU and introducing data services. Billing system consolidation, technology interoperability and SS7 networks affect a small percentage of a carrier s total cost base but can cause significant customer service disruption. We believe that carriers will be reluctant to switch providers or concentrate their strategic focus and capital spending in these areas. In addition, due to the proprietary nature of subscriber billing data, carriers will continue to require a trusted third-party intermediary to provide clearinghouse services in a secure and confidential manner.

History

Our company has been a leading provider of technology interoperability, network and call processing services to the telecommunication industry for more than 15 years. Founded in 1987 as GTE Telecommunication Services Inc., a unit of GTE, our business has grown from a set of three roaming facilitation products into a comprehensive suite of services that address the increasing complexities of the telecommunication industry. With our strong technical expertise, we have developed leading solutions to address many of the wireless industry s most challenging technology issues.

As wireless technologies evolved through the early 1990s, we experienced strong revenue growth and increased demand for new services to serve the growing wireless subscriber base. Our services simplify the interconnection and management of complex and rapidly converging voice and data networks. Our proven internal capabilities position us well to continue developing innovative solutions to enhance the technological advantage of our services and meet the industry s evolving requirements.

We began offering our suite of services globally during the late 1990s as demand for international roaming interoperability grew. In addition to developing a GSM to IS-41 interoperability solution, we expanded our presence in Latin America and Asia/Pacific with key customers such as Telcel, Telefónica, NTT DoCoMo and most recently, China Unicom.

In 2000, GTE and Bell Atlantic merged to form Verizon, Inc. As part of that transaction, we became an indirect, wholly owned subsidiary of Verizon. In addition, to further broaden our services suite and expand our wireline customer base, we acquired GTE s Intelligent Network Services business in June of 2000. The integration of this business provided our company with a national SS7 network as well as access to databases for local number portability, toll-free calling and line information database access.

In February 2002, we were acquired by Syniverse Holdings, Inc. (formerly, TSI Telecommunication Holdings, Inc.), a corporation owned by Syniverse Holdings, LLC (formerly TSI Telecommunication Holdings, LLC), whose members include affiliates and co-investors of GTCR Golder Rauner, LLC and members of our senior management. Today, we operate as a business that offers a complete suite of technology interoperability, network and call processing solutions. We believe that we are the largest provider of wireless roaming financial clearing services in the world based on the amount of revenues we receive from wireless carriers. We also operate one of the largest unaffiliated SS7 networks in the United States and provide complementary intelligent network and database services to telecommunication and data network providers. We are also the leading provider of best-in-class subscriber verification, call processing and fraud detection and prevention solutions to the wireless industry.

In February 2003, we opened a European office based in The Netherlands, headed by a managing director for the region. The European team greatly increased exposure for our products and services in the region.

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On July 23, 2003, Syniverse Networks, Inc. (formerly TSI Telecommunication Network Services Inc.) acquired Brience, Inc. by merging Brience, Inc. with and into Syniverse Brience, LLC (formerly TSI Brience, LLC), a newly formed wholly owned subsidiary of Syniverse Networks, Inc., with Syniverse Brience, LLC continuing as the surviving entity and a wholly owned subsidiary of Syniverse Networks, Inc. Historically, Brience, Inc. developed and sold information access and integration software products to large enterprises. At the time of the merger, however, Brience, Inc. s business was limited to selling and servicing its Mobile Processing Server product.

In December 2003, we acquired Softwright Holdings Limited, a United Kingdom-based provider of mobile number portability solutions. The European model for number portability is a call routing system, presenting opportunities for us to secure business by exporting our centralized database and intercarrier communications business model.

Products and Services

We provide a diverse set of network, number porting, technology interoperability, call processing and other outsourcing services to meet the evolving requirements of the telecommunication services industry.

Network Services

Through our diverse network architecture, we provide connectivity to SS7 and other network transport protocols such as X.25, Frame Relay and GPRS. Many of our service capabilities are based on our SS7 network that enables call set up, call delivery and access to intelligent network services such as Caller ID, local number portability and LIDB. SS7 is the industry standard used by almost every switched telephone operator in North America to identify available network routes and to designate the circuit used for each individual telephone call. As a single SS7 and intelligent network services source, we provide our customers cost-effective connectivity to the signaling networks of substantially the entire U.S. public-switched telecommunication network, global connectivity and an array of SS7 network-enabled services. Our SS7 network and related services allow our customers to monitor network performance and subscriber activity on a real-time basis. For our Frame Relay and other network services, the circuits are provided by a variety of global vendors. As a leading independent provider of SS7 network services, we support interoperability through hundreds of network links distributed over six signaling transfer point, or STP, pairs. We have approximately 350 Frame Relay connections (both via public provider or our private Frame Relay backbone). We have 14 customers in North America using our General Packet Radio Service Roaming Exchange, or GRX, network for GPRS service. These customers account for substantially all of the existing domestic traffic for GPRS services.

Our primary network service solutions include INLink, Visibility, SS7 Database Access for intelligent network services, Inpack and CCNS. We generate revenues from these service solutions primarily by charging per-transaction processing fees, circuit fees and port fees.

INLink Our SS7 service, INLink, provides wireless carriers with network connectivity and access to a variety of advanced services and features such as network management, fraud control, call setup, call delivery and intelligent network services (LIDB, LNP and Caller ID). INLink offers seamless connectivity and interoperability regardless of location, switch type, signaling protocol or network protocol.

Visibility Our Visibility services provide wireless carriers with valuable operational analysis tools for real-time monitoring of subscriber activity both within a carrier s own network and across multiple carrier networks. Visibility allows for timely resolution of customer service issues and for detection and prevention of fraudulent calls. Visibility also enables wireless carriers to view roaming

activity in their own markets as well as their subscribers roaming activity in other markets, in a user-friendly, Web-based reporting environment. As one of the industry s most comprehensive SS7 network monitoring and analysis tools, Visibility combines validation, authentication and call delivery messages sent over SS7

networks with similar information from our other services. SS7 information is collected either at our intelligent network STPs or at the carriers own STPs. Visibility also gives carriers the ability to reinstate service for subscribers who are experiencing problems while roaming on another carrier s network without involving the other carrier.

SS7 Database Access Our SS7 network services provide database access for intelligent network services such as local number portability, wireless local number portability, line information database service, toll-free service and Caller ID.

Local Number Portability (LNP) Local number portability allows a wireline telephone subscriber to switch local service providers while keeping the same telephone number. We manage interactions with number portability databases and provide database queries on a per-call basis, thereby allowing carriers to deploy local number portability without the high cost of building their own infrastructure. In 1996, the FCC mandated that incumbent local exchange carriers implement wireline number portability in all major U.S. markets beginning in 1999.

Line Information Database (LIDB) Access and Transport We provide access to line information databases which are developed and maintained by telecommunication carriers that provide subscriber information necessary to provide enhanced services such as validating telephone numbers and billing information. The SS7 network then determines the appropriate database to validate the card number, routes the information to the switch that analyzes the response and determines how to treat the call.

Toll-Free Database Access and Transport Our SS7 network provides access to a database of all toll-free numbers in the United States to provide effective call routing by returning the response to our customer for call routing.

Caller Name Database We develop and maintain calling name database access, allowing carriers to query many regional Bell operating companies and major independent telephone carriers and reduce the name not available messages that customers receive. We also manage and operate a database for storage of incumbent local exchange carrier, competitive local exchange carrier and wireless calling name records.

Inpack Inpack is a suite of services that enables subscribers to have seamless access to their home carriers GPRS network while roaming both nationally and internationally. Inpack is a GRX offering for GPRS and serves as a virtual private network, or VPN, for other emerging services, such as signaling solutions, billing, clearing and settlement services. The service offers secure access to home based e-commerce, public Internet, corporate intranets and e-mail systems to roaming subscribers.

CCNS Our Cellular Carrier Network Services, or CCNS, provide network circuits that interconnect carriers cell sites or switches to other switches or network elements across local access transport areas, or LATA, or state boundaries. These circuits can be used for transmitting high-speed data, voice or video.

Mobile Processing Server an integrated software design and development environment for building mobile solutions that provides a compelling user experience across multiple device form factors ranging from cell phones to PDAs.

Number Porting Services

The Telecommunications Act of 1996 mandates number portability as a means to promote competition for phone service. Number portability means that a subscriber can switch telephone service provider but retain the existing telephone number. Wireline carriers in the largest markets have offered number portability since 1998. After numerous delays and postponements, wireless carriers were required to offer wireless local number portability as of November 24, 2003. The implementation of WLNP fundamentally changed the way the wireless industry identifies phone numbers and routes calls. Additionally, porting a number from one carrier to another is an exceedingly complex process that minimally requires eleven transactions or exchanges of information between carriers and between carriers and NPAC. Furthermore, the method for porting

a wireline number to a

wireless phone is not standardized. True to our legacy of product innovation and solving industry challenges we developed the industry s only end-to-end, fully integrated suite of services to enable wireless carriers to meet the FCC-mandated November 2003 deadline for wireless local number portability. Our solutions are offered as either service bureau or turnkey, providing flexibility for carriers and creating a significant recurring revenue stream for us. Our suite of WLNP services address pre-provisions, inter-carrier communication, communication with the NPAC and system and help desk troubleshooting that is necessary when ports fail, known as fallout. Our specific services include:

Pre-Port Validation reduces fallout and improves customer service by validating and obtaining certain information prior to submitting a port request to a trading partner.

Inter-carrier Communications (ICC) Service Order Activation (SOA) Service Bureau streamlines the ordering and communication process to the regional NPACs and provides the inter-carrier communications required to exchange a subscriber s service order information with another carrier before the number can be ported.

Inter-carrier Communications (ICC) Clearinghouse provides a simple way for carriers who have already invested in a service order activation (SOA) application to reach multiple porting partners with a single connection to us. Rather than maintaining dedicated circuits to multiple porting partners, a single connection to our clearinghouse provides a way to exchange porting requests and responses with trading partners.

Wireline-to-Wireless Porting enables wireless carriers to exchange porting messages with wireline carriers by submitting wireless porting requests and wireless porting request responses to us for conversion to appropriate formatting and delivery to wireline carriers.

Fallout Management/Port Center provides troubleshooting and help desk services by knowledgeable, dedicated WLNP customer service representatives to restore normal porting message flow through when an error occurs. Processes SOA and ICC system-generated errors, network connectivity related errors, information errors and other WLNP-related problems requiring manual interaction between a carrier and its trading partners or the NPAC.

Workflow Management organizes, prioritizes, routes, logs and reports required WLNP errors and transactions. This service includes the provision of an automated workflow management tool to support a carrier s port center operations.

LRN Query Service enables carriers to query a number portability database to determine if a dialed number has been ported in order to route calls in a ported environment. Our LRN Query service provides access to all U.S. regional NPAC databases. If the number has been ported, the service determines how to route the call to the new carrier.

Technology Interoperability Services

We provide the wireless industry with technology interoperability solutions to facilitate the processing of roaming billing and SMS messages and data required for seamless regional, national and international wireless roaming telephone service. To provide ubiquitous service to wireless customers, wireless carriers enter into inter-carrier roaming agreements that govern pricing and business rules associated with one carrier providing service to another carrier s customers. To manage network availability and to properly bill these subscribers for roaming charges, wireless carriers must exchange data across various billing protocols and integrate that data with their existing billing and management information systems. As the wireless industry has evolved, we have developed solutions that address underlying interoperability complexities including the translation of various network, signaling and billing protocols to allow different wireless carriers to communicate. Our clearinghouse services have established us as the trusted third party for the collection, translation and distribution of the information required to initiate, complete, monitor and bill telecommunication services provided by one carrier to numerous other carriers customers. Our services are also used to clear roaming traffic between multiple billing systems within a single carrier. We are the largest wireless clearinghouse in the United States, processing nearly 60% based on wireless subscribers.

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Our primary technology interoperability services that we offer for clearing and financial settlement are ACCESS, ACCESS S&E, UniRoam, Access Revenue Management and Message Manager. These services allow the exchange of proprietary subscriber billing data through a trusted third party on a secure and confidential basis, ensuring the timely exchange of roaming data and compliance with established business rules for roaming activity between carriers. We primarily generate revenues by charging per-transaction processing fees.

ACCESS Our primary clearing and financial settlement service, ACCESS, enables the timely exchange of billing data between domestic and international wireless service providers, accurately converts and processes multiple billing protocols and manages complex accounting procedures. ACCESS simplifies the exchange of CIBER billing data between IS-41-based carriers (CDMA, TDMA, AMPS) and their roaming partners. This service generates user-friendly, on-line reports with daily and monthly summaries of key data.

ACCESS S&E ACCESS S&E is our service that provides ACCESS-like functionality to GSM carriers. ACCESS S&E provides for the exchange of billing data between GSM carriers and their GSM and IS-41 roaming partners. ACCESS S&E also has Web-based reporting systems that provide daily and monthly summaries of key data.

UniRoam UniRoam simplifies interstandard and international roaming (IS-41/GSM) by providing carriers with subscriber call origination, automatic call delivery and home wireless system billing. UniRoam provides interoperability between different cellular network protocols, including ANSI-41/CIBER (used in CDMA, TDMA and AMPS networks) and GSM-MAP/TAP, using our network and infrastructure as a common point of mediation and provides seamless coverage across international borders.

Access Revenue Management Access Revenue Management, or ARMS, is a secure, end-to-end solution that provides wireline carriers with the data collection, conversion, rating, billing and reporting necessary to assure revenue from carrier access billing and reciprocal compensation. We collect data from various record formats and provide analytical tools, rating and conversion services to enable carriers to optimize revenues from inter-carrier access billing.

Message Manager Our Message Manager solution enables network access, protocol translation, routing and delivery of short message service (SMS) messages across carrier networks. According to Mobile Lifestream, the number of short messages sent on a world-wide basis via SMS is expected to grow to approximately 79 billion per month in 2005 from approximately 20 billion per month in 2000. As SMS use grows, the demand will increase for interoperability, network and value-added services to enable seamless delivery and receipt of these messages.

Event Manager Event Manager addresses a variety of wireless Internet events including messaging, m-commerce, mobile financial, Internet content, intranet access, entertainment and location-based applications. It simplifies the management and administration of the business relationships established between content providers and wireless operators, as well as that between wireless operators and their subscribers. This solution facilitates virtual roaming with wireless Internet partners, via data collection, rating, clearing and settlement and reporting of wireless data records for wireless operators and content providers.

Call Processing Services

We developed many of the wireless industry s first and leading solutions for wireless subscriber verification, call processing and technical fraud detection and prevention. For a wireless subscriber to make and accept calls, as well as to access custom services while roaming on another operator s network, the host operator must validate with the home operator that the customer is an authorized subscriber on a specified service plan. As the wireless industry has evolved, we have developed subscriber verification and call delivery solutions that address interoperability complexities by translating and converting various network, signaling and billing protocols to facilitate wireless roaming service coverage and telephone call delivery. Our comprehensive,

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integrated fraud management solutions employ advanced technologies to provide flexible, efficient fraud detection and fraud prevention, regardless of switch type, software release version or industry standard. Our integrated service offerings provide a total authentication solution and comprehensive protection for subscribers.

Our primary call processing services are FraudManager, Follow Me Roaming Plus, Key Management Center and FraudX. We generate revenues from these services primarily by charging per-transaction processing fees and licensing software.

FraudManager Our FraudManager solution verifies a subscriber s eligibility to receive service while roaming in another carrier s market. This is enabled by our proprietary call processor, which can replicate mobile switching center functionality to serve functions such as the Home Location Register (HLR) or Visited Location Register (VLR). The call processor can also communicate with carriers switches on a peer-to-peer basis, thereby replicating home, visited or foreign Mobile Switching Center (MSC) functionality. This provides the capability to expeditiously and cost-effectively address industry and customer issues without being dependent upon third-party switch manufacturers (e.g., Lucent, Motorola, Nortel). FraudManager is recognized as one of the industry s premier pre-call validation services that detects and blocks a fraudulent call on an invalid user s first attempt.

Follow Me Roaming Plus Follow Me Roaming Plus (FMR Plus) is an advanced call delivery system that provides roaming subscribers with seamless activation and call delivery when traveling between IS-41 markets. The service facilitates roaming by creating a temporary identity for roaming subscribers in visited networks and allows them to maintain their custom calling features while roaming. Our FMR Plus solution enables carriers to provide seamless roaming through compatibility with all major switch types and interoperability with non IS-41 environments.

Key Management Center Our Key Management Center provides carriers with an affordable authentication service to prevent wireless fraud. In the authentication process, the exchange of authentication keys (A-Key) between carriers and multiple wireless equipment manufacturers requires establishing numerous electronic data interchange (EDI) connections. Both wireless carriers and wireless equipment manufacturers can benefit from the increased efficiency and security of using us as a single source to coordinate storage, retrieval and distribution of A-Keys. By doing so, A-Key distribution and management between manufacturers and wireless carriers are greatly simplified. Administrative and network costs are reduced. Wireless carriers also save the costs of developing secure storage and EDI transmission capabilities.

FraudX FraudX is our technical fraud detection and prevention solution. Our fraud profiling system uses near real-time data from mobile switches to create a unique profile for each subscriber, based upon the subscriber s incoming and outgoing call records. After the subscriber profiles are established, FraudX continually compares each subscriber s calling activity to his or her profile and to known fraudulent profiles, constantly monitoring events and generating alerts in case of usage pattern deviation. FraudX also allows for subtle variations in subscriber activity and updates the subscribers profiles with new, legitimate calling patterns as they emerge.

Enterprise Solutions

We also offer several unrelated, value-added outsourcing services that were developed to assist mobile operators in attracting and retaining high value enterprise and corporate accounts, as well as leveraging unique applications such as telematics.

Our primary other outsourcing services include STREAMLINER and Fleet-On-Track.

STREAMLINER STREAMLINER allows wireless carriers to present their enterprise customers with a single consolidated bill when service is provided by multiple carriers across different markets. This solution also helps enterprise customers to better understand their wireless invoice by providing a tool that analyzes complex business account structures and large volumes of usage data.

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Fleet-On-Track Fleet-On-Track is a platform technology that enables trucking and other distribution companies to track their fleets of vehicles throughout the country, providing for better utilization and resource management. This solution was a precursor to our work as the original developer of the OnStar technology that provides wireless access to directions, restaurant guides and emergency roadside assistance.

Customers

We serve more than 290 telecommunication service providers in 26 North American, Latin American, Asia Pacific and European countries with our extensive portfolio of solutions. We maintain strong and collaborative relationships with our customers, which include wireless and wireline carriers such as ALLTEL, AT&T Wireless, Cingular Wireless, Dobson Communications, Nextel, Sprint PCS, U.S. Cellular Corp. and Verizon Wireless as well as wireline carriers such as XO Communications, Allegiance, Mpower and US Lec. We also serve wireless companies in Latin America, Asia Pacific and Europe, including China Unicom, NTT DoCoMo, T-Mobile International and Telefónica, among others. We believe that maintaining strong relationships with our customers is one of our core competencies and that maintaining these relationships is critical to our success.

Our top ten customers accounted for approximately 57.8% of our revenues for the year ended December 31, 2003. Our largest customer is Verizon (Verizon Wireless, Verizon Network Services and other Verizon affiliates), which accounted for approximately 23.3%, 31.0%, and 33.9%, of our revenues in 2003, 2002 and 2001, respectively. We have a revenue guaranty agreement with respect to revenues from Verizon Wireless through December 31, 2005. Our customer base includes wireless companies in the U.S., Latin America, Asia/Pacific and Europe. In addition, we also provide services to wireline providers such as competitive local exchange carriers, local exchange carriers and interexchange carriers.

Historically, we have experienced a low level of customer turnover and have contract renewal rates averaging approximately 88% over the last three years. Our dedication to provide superior solutions and services to our customers is evident in that we currently serve all of the top ten wireless carriers in the U.S., many premier wireline providers and a growing customer base outside the United States.

Sales and Marketing

As of December 31, 2003, our Sales and Marketing organizations include 109 people who work together to identify and address customer needs and concerns, deliver comprehensive services, develop a clear and consistent corporate image and offer a best-in-class customer support system designed to give customers efficient, courteous and expert advice on a timely basis.

Sales. The sales department was reorganized from a centralized sales force to a globally focused sales force in 2002 to better serve the needs of existing customers and to identify new opportunities more quickly. Sales directors are organized geographically with individuals responsible for North America, Central and Latin America, Asia Pacific and Europe/Middle East/Africa. Regional sales managers are located throughout the U.S. to serve top tier customers in the Northeast, Northwest, Midwest and the Southern U.S. Account managers are product specialists and work as a team with the regional sales managers and directors to respond to customer needs. Compensation for our sales force is composed of an industry-competitive base salary and a variable component based on sales quota attainment.

Marketing. Our marketing organization is comprised of channel distribution managers, product managers and marketing services employees. Channel distribution managers are responsible for working with the sales organization to develop

specific pricing options, current and future product needs, revenue forecasts and projected market opportunities. Our product managers are responsible for managing the product s positioning through the life cycle as well as managing costs and initial pricing. This includes development of a product plan, product development requirements, resource planning and vendor management if appropriate. Each product manager coordinates a cross-functional product team

with participants from several functional areas within our organization including sales, technology and operations. These product team participants are responsible for coordinating the execution of the product plan within their functional teams. Marketing services employees work with channel distribution managers and product managers to determine appropriate allocation of funding for and coordinate advertising, promotions, media relations, speaking opportunities, trade shows and our users group.

Operations and Customer Support

As of December 31, 2003, we had 183 employees from a number of groups within our organization dedicated to managing our own internal operations and processes and supporting our customers.

Internal Operations Support. Our Internal Technology Support group manages our internal hardware and software technology program as well as the LAN, Internet, email and departmental server data centers for our employees. This group is responsible for the Syniverse Solution Gateway, our system for customer problem management, and also provides management information software solutions and support that enable efficient operations within our organization. Other internal operations functions include information security, supplier management, facilities management and disaster recovery. All provide mission-critical support to our employees in achieving strategic objectives and help ensure our ability to continue to serve our customers effectively.

Customer Service, Documentation and Training. Our Customer Service organization provides front-line support for our services to our global customers. New support personnel are recruited for their multi-lingual, interpersonal and customer care skills, and are provided intensive product training prior to accepting direct customer interface responsibility. Our Documentation and Training group publishes the technical documentation accompanying our portfolio of services in multiple languages, and also travels nationally and internationally to provide strategic customer training in our services suite. The group has established world-class training facilities in Tampa, where it sponsors regular customer and employee program offerings, and has also developed Web-based real-time training that our customers have successfully utilized as a remote training option.

Technology

As of December 31, 2003, the Technology group was comprised of 223 professionals. This group performs all functions associated with the design, development, testing, implementation and operational support of our services. The Technology group balances technology and business priorities and enhances our ability to deliver timely and cost-effective solutions.

The primary functions of the Technology group include:

Product Development and Life Cycle. These groups deliver new product developments, enhancements and maintenance releases in a timely manner and develops integrated solutions that address customer needs across multiple areas including billing, messaging, decision support and reporting. These groups also constantly monitor technology developments to ensure that we leverage our legacy investments while developing new technologies that provide flexible and cost effective solutions to our customers.

Operational Support Services. These groups provide 24x7 hour operational support for our products to ensure a high level of service and system availability to our customers. These groups work with the other Technology groups to identify and implement proactive measures to meet our customer commitments.

Technology Services. This group is responsible for maintaining the high overall quality of customer service through centralized testing, system/data base administration and configuration management. This group also works with our vendors on system performance management, capacity planning and system tuning.

Network Operations

As of December 31, 2003, we had 69 employees dedicated to network provisioning, monitoring and support.

Network Operations Center. We maintain a state-of-the-art Network Operations Center (NOC) that actively monitors our applications network and our connections to our customers, providing support both domestically and internationally 24 hours a day, seven days a week, 365 days a year. Our NOC proactively identifies potential application, operating system, network, switch connectivity and call processing problems and manages those problems through resolution with customers in conjunction with IXCs, LECs, field engineering, our internal product support and product development teams, and hardware and software vendors.

Network Services. This group designs, develops and supports our SS7 and IP-based Intelligent Network Service offerings and works closely with our other functional departments and vendors to ensure that we are engineering and monitoring cost effective and reliable network solutions which meet our customers needs.

Business Development and Strategy

As of December 31, 2003, our Business Development and Strategy organization is composed of 12 people and is responsible for strategy development, new business initiatives, first office applications, technology planning and market planning. This group is responsible for developing integrated and achievable short and long-term business plans in support of our vision and strategic plan. This responsibility extends from initial concept through first customer implementation, including strategic partnership development and contract negotiations. This group develops strategies that leverage technology evolution and designs solutions to technical problems associated with our core business and new business initiatives.

Employees

As of December 31, 2003, we had approximately 672 employees, none of whom are represented by a union. We believe our relations with employees are good.

Competition

We believe we are the only company that offers a full suite of technology interoperability, network and call processing services. However, we compete with a number of U.S. and international companies in specific areas of our business.

Network Services. Our competitors for SS7 network connectivity and intelligent network services include VeriSign, Southern New England Telephone (SNET), Transaction Network Services (TNS) and regional Bell operating companies. Wireless and wireline carriers may also choose to deploy and manage their own in-house SS7 networks. Our Inpack packet data network service competes with a variety of carriers including Sonera and Cable & Wireless in the U.S. and also Global Crossing, France Telecom, KPNQwest, and Comfone (a subsidiary of Swisscom) internationally.

Number Porting Services. Our primary competitors in the United States for WLNP services are VeriSign, NeuStar and Telcordia and to a lesser degree, Evolving Systems. In Europe, Ernst & Young Cap Gemini and Accenture as well as several other companies offer mobile number portability solutions, however the standard mobile number portability processes in Europe are not centralized or automated on the scale of our WLNP systems and processes.

Technology Interoperability Services. Our primary competitors in the U.S. technology interoperability market are EDS and VeriSign. Internationally, our ACCESS and ACCESS S&E services compete with EDS, MACH and Dan Net. In the wireline clearinghouse services marketplace, we encounter Communications Data Group (CDG), INTEC Telecom Systems/CHA Systems, Aptis/EUR Data Center and Daleen Technologies. Certain wireless carriers also choose to deploy in-house interoperability and billing solutions for clearing internal and affiliate traffic.

Call Processing Services. Our call processing services primarily compete with turnkey products from vendors such as Logica and HNC Software/Systems Link. Internationally, we compete primarily with turnkey product vendors such as Logica. Our subscriber verification and key management services compete with CMG Telecommunication Inc., DSC Communications, HNC Software/SystemsLink and others. Our wireless fraud prevention solutions compete primarily with carrier-deployed software solutions from Bassett Telecom Solutions, HNC Software/SystemsLink, Compaq, Dynamics Research Corp (DRC), ECTel, Lightbridge/Corsair and others. Also, certain carriers may choose to deploy in-house call processing and fraud detection and prevention solutions.

Enterprise Solutions. We compete with Boston Communications Group, Lightbridge/Corsair, HNC Software/SystemsLink and others in the provisioning of prepaid wireless account management services. Certain wireless carriers have developed their own services rather than utilize our STREAMLINER service.

Competitive factors in the market for our services primarily include breadth and quality of services offered, price, development capability and new product innovation.

Governmental Regulation

We are not subject to the direct regulation of the FCC or any state utility regulatory commission. Some of our customers, however, may be subject to federal or state regulation that could have an indirect effect on our business. Because we do not provide voice-grade or data services that are deemed to be common carrier telecommunication services, we do not anticipate that our services will be subject to regulation by the FCC or state public utility commissions.

Environmental Regulation

We are subject to a broad range of federal, foreign, state and local laws and regulations relating to the pollution and protection of the environment and health and safety. Among the many environmental requirements applicable to us are laws relating to air emission, wastewater discharges and the handling, disposal and release of solid and hazardous substances and wastes. Based on continuing internal review and advice from independent consultants, we believe that we are currently in substantial compliance with applicable environmental requirements.

We are also subject to laws, such as CERCLA, that may impose liability retroactively and without fault for releases or threatened releases of hazardous substances at on-site or off-site locations. We are not aware of any material releases for which we may be liable under CERCLA or any other environmental or health and safety law.

We do not currently anticipate any material adverse effect on our operations, financial condition or competitive position as a result of our efforts to comply with environmental requirements. Some risk of environmental liability is inherent, however, in the nature of our business, and we cannot assure you that material environmental liabilities will not arise. It is also possible that future developments in environmental regulation could lead to material environmental compliance or cleanup costs.

Intellectual Property Rights

We consider our patents, patent licenses and trademarks, in the aggregate, to be important to our business and seek to protect this proprietary know-how in part through U.S. and foreign patent and trademark registrations. Certain of our patents are also important individually. We currently maintain 50 registered trademarks and 12 patents in the United States and in foreign countries. In addition, we maintain certain trade secrets for which, in order to maintain the confidentiality of such trade secrets, we have not sought patent protection. Concurrent with our purchase from Verizon Communications by Syniverse, we entered into an intellectual property agreement with Verizon Communications and Verizon Information Services pursuant to which:

- we and the Verizon companies each conveyed an undivided joint ownership interest to the other in certain of our respective unregistered intellectual property;

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the Verizon companies and their affiliates granted a limited, royalty-free, non-exclusive, worldwide license of certain of our respective registered intellectual property to us and our affiliates;

we granted a limited royalty-free, non-exclusive, worldwide license of certain of our registered intellectual property to the Verizon companies and their affiliates;

the Verizon companies and their affiliates granted a limited, royalty-free, non-exclusive, worldwide license of certain third-party intellectual property to us pursuant to their right to sublicense such materials;

the Verizon companies conveyed and transferred to us certain of their intellectual property; and

the Verizon companies and their affiliates generally agreed to be indefinitely prohibited from using any of the intellectual property that we license to them under the intellectual property agreement to offer goods or services that compete with us, whether such goods or services are provided to third parties or used internally.

See Certain Relationships and Related Transactions Intellectual Property Agreement.

ITEM 2. PROPERTIES

As of December 31, 2003, our principal facility was 188,882 square feet of leased office space in Tampa, Florida that we use for headquarters and administration purposes. The lease expires on October 31, 2006, subject to renewal terms. We lease several other small immaterial facilities for office space and STP equipment storage.

We consider our properties to be in good condition generally and believe that our facilities are adequate to meet our anticipated requirements.

ITEM 3. LEGAL PROCEEDINGS

We are currently a party to various claims and legal actions that arise in the ordinary course of business. We believe such claims and legal actions, individually and in the aggregate, will not have a material adverse effect on our business. As of December 31, 2003, we have considered all of the claims and disputes of which we are aware and accrued amounts in our analysis of doubtful accounts or probable loss accruals.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter of calendar year 2003.

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PART II

ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

There is currently no established public trading market for our no par value common stock, which is owned of record by Syniverse Holdings, Inc., (Syniverse Inc.) a company which is wholly owned by Syniverse Holdings, LLC (Syniverse LLC). Likewise, there is currently no established public trading market for Syniverse LLC securities.

We have not paid any dividends on our common stock during the past fiscal year and do not intend to pay dividends on our common stock in the foreseeable future.

On February 14, 2002, Syniverse Holdings, Inc. (formerly TSI Telecommunication Holdings, Inc.), a wholly owned subsidiary of Syniverse Holdings, LLC (formerly TSI Telecommunication Holdings, LLC), acquired us by merging its wholly owned subsidiary, TSI Merger Sub, Inc., with and into us. Pursuant to the merger agreement, Verizon received merger consideration equal to $770.0 million in cash. Syniverse LLC is owned by GTCR Fund VII, L.P., certain of its affiliates and co-investors, G. Edward Evans and certain other members of our management, who we collectively refer to as the equity investors. In connection with this transaction, Syniverse LLC sold to the equity investors approximately $255.3 million in cash of Syniverse LLC Preferred and Common Units. The sales were nonpublic offerings by Syniverse LLC, and therefore exempt from registration, pursuant to Section 4(2) of the Securities Act of 1933, as amended. Additional information regarding these and other sales is set forth under the heading Certain Relationships and Related Transactions Senior Management Agreements and Certain Relationships and Related Transactions Purchase Agreements.

Syniverse Holdings, LLC sold 900,900.9 common units to F. Terry Kremian in December 2003 pursuant to a Senior Management Agreement. Each common unit was sold at a price of $0.0333 per unit. This sale was exempt from registration pursuant to Section 4(2) of the Securities Exchange Act of 1933.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth certain of our historical financial data for the most recent five years. We have derived the selected historical consolidated financial data as of December 31, 2002 and 2003 and for the years ended December 31, 2001 and 2003, the period from January 1, 2002 to February 13, 2002, and the period from February 14, 2002 to December 31, 2002 from our audited financial statements and the related notes included elsewhere herein. The selected historical consolidated financial data as of December 31, 1999, 2000 and 2001 and for the years ended December 31, 1999 and 2000 have been derived from our audited consolidated financial statements, which are not included in this filing. The selected historical financial data as of February 13, 2002 was derived from an unaudited balance sheet as of that date not included in this filing. The selected historical financial data set forth below is not necessarily indicative of the results of our future operations and should be read in conjunction with the discussion under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations, and the historical consolidated financial statements and accompanying notes included elsewhere herein.

As a result of applying the required purchase accounting rules to our acquisition from Verizon on February 14, 2002, our financial statements were significantly affected. The application of purchase accounting rules result in different accounting bases and hence the financial information

for the periods beginning on February 14, 2002 are not comparable to the information prior to this date.

The term successor refers to Syniverse Holdings, Inc. following our acquisition from Verizon on February 14, 2002. The historical financial results of Brience, from February 14, 2002, which is the date that GTCR Fund VII, L.P. and its affiliates possessed common control of us and Brience, through July 23, 2003, which is the date that we merged with Brience, are included in the financial results of the successor because this acquisition is accounted for as a combination of entities under common control, similar to a pooling of interests. The portion of historical results attributed to the common stock ownership of Syniverse Networks, Inc., which Syniverse Holdings, LLC owned between February 14, 2002 and January 17, 2005 when Syniverse Holdings,

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LLC contributed these shares of Syniverse Networks, Inc. to Syniverse Holdings, Inc., have been included in the financial results of the successor because this acquisition is also accounted for as a combination of entities under common control, similar to a pooling of interests.

The term predecessor refers to Syniverse Technologies, Inc. prior to our acquisition on February 14, 2002.

	Predecessor				Successor	
	Year Ended December 31,			Period from January 1 to February 13,	Period from February 14 to December 31,	Year Ended December 31,
	1999	2000	2001	2002	2002	2003
	(in thousands except per share amounts)				(in thousands except per share amounts)	
Statements of Operations Data:						
Revenues						
Technology Interoperability	$ 59,959	$ 68,923	$ 82,312	$ 8,464	$ 70,215	$ 66,536
Network Services	65,158	79,760	105,369	14,103	99,647	111,845
Call Processing Services	72,138	73,262	65,241	6,429	46,336	42,764
Number Portability Services					860	5,469
Enterprise Solution Services	27,409	35,372	39,319	2,412	17,869	15,265
Revenues Excluding Off-Network Database Query Fees	224,664	257,317	292,241	31,408	234,927	241,879
Off-Network Database Query Fees	53,016	58,619	69,117	8,588	61,117	29,529
Total Revenues	277,680	315,936	361,358	39,996	296,044	271,408
Costs and expenses:						
Cost of operations	141,979	150,156	169,025	20,655	130,364	109,744
Sales and marketing	21,513	24,265	24,348	2,614	22,706	18,631
General and administrative	30,848	45,721	41,245	3,001	42,630	39,881
Provision for (recovery of) uncollectible accounts	200	2,203	2,207	1,340	(693)	466
Depreciation and amortization (1)	8,866	13,061	15,203	1,464	33,285	37,319
Restructuring (2)					2,845	2,164
Impairment losses on intangible assets (3)						53,712
	203,406	235,406	252,028	29,074	231,137	261,917
Operating income	74,274	80,530	109,330	10,922	64,907	9,491
Other income (expense) net:						
Interest income	2,802	3,087	3,903	432	965	768
Interest expense	(2,822)	(22)			(54,105)	(58,128)
Other income (expense), net	6	4	(80)	(19)	(275)	
	(14)	3,069	3,823	413	(53,415)	(57,360)
Income (loss) from continuing operations before provision for income taxes	74,260	83,599	113,153	11,335	11,492	(47,869)
Provision for income taxes	28,156	32,548	43,895	4,418	9,320	10,057

Income (loss) from continuing operations	46,104	51,051	69,258	6,917	2,172	(57,926)
Discontinued operations:						
Loss from discontinued operations					(1,541)	
Net income (loss)	46,104	51,051	69,258	6,917	631	(57,926)
Preferred dividends					(22,952)	(28,581)
Net income (loss) attributable to common shareholders/unitholders	$ 46,104	$ 51,051	$ 69,258	$ 6,917	$ (22,321)	$ (86,507)
Other Financial Data:						
EBITDA (4)	$ 83,146	$ 93,595	$ 124,453	$ 12,367	$ 96,376	$ 46,810
Net cash provided by (used in):						
Operating activities	52,985	55,218	131,281	1,185	59,756	48,422
Investing activities	(18,426)	(10,634)	(99,831)	34,781	(12,278)	(18,883)
Financing activities	(34,559)	(42,000)	(33,750)	(11,250)	(44,187)	(63,430)
Capital expenditures	19,778	12,956	10,406	606	12,278	18,280
Balance Sheet Data (at end of period):						
Cash and cash equivalents	$	$ 2,584	$ 284	$ 25,000	$ 42,190	$ 8,299
Property and equipment, net	24,881	24,387	23,656	23,306	33,728	33,548
Total assets	126,386	198,380	247,867	159,457	833,068	730,271
Total debt, net of discount and redeemable preferred stock					584,403	449,375
Total shareholders /unitholders equity	74,550	117,307	153,104	133,510	192,357	213,776

(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. Depreciation and amortization amounts after February 14, 2002 are not comparable to the periods prior to that date because the successor company s assets were revalued as a result of the purchase accounting treatment of the acquisition.

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(2) Restructuring expense is comprised of severance benefits associated with our cost rationalization initiatives, which were implemented in August 2002, February 2003, and July 2003. Our restructuring in July 2003 was related to the acquisition of Brience. This excludes amounts related to acquisitions where restructuring costs were accrued as a part of purchase accounting.

(3) 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 $2.7 million which will no longer be recoverable due to our phase-outs of other service offerings.

(4) 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.

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.

	Predecessor				Successor	
	Year Ended December 31,			Period from	Period from	Year Ended
	1999	2000	2001	January 1 to	February 14 to	December 31,

				February 13, 2002	December 31, 2002	2003
		(dollars in thousands)			(dollars in thousands)	
Reconciliation of EBITDA to Net Income (Loss):						
Net income (loss) as reported	$ 46,104	$ 51,051	$ 69,258	$ 6,917	$ 631	$ (57,926)
Interest expense, net	20	(3,065)	(3,903)	(432)	53,140	57,360
Depreciation and amortization	8,866	13,061	15,203	1,464	33,285	37,319
Provision for income taxes	28,156	32,548	43,895	4,418	9,320	10,057
EBITDA	$ 83,146	$ 93,595	$ 124,453	$ 12,367	$ 96,376	$ 46,810
Supplemental information:						
Restructuring expense (i)	$	$	$	$	$ 2,845	$ 2,164
Impairment losses on intangible assets (ii)						53,712

(i) Restructuring expense is comprised primarily of severance benefits associated with our cost rationalization initiatives, which were implemented in August 2002, February 2003, and July 2003. The most recent restructuring is related to our acquisition. 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.

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

	Predecessor				Successor	
	Year Ended December 31,			Period from January 1 to February 13,	Period from February 14 to December 31,	Year Ended December 31,
	1999	2000	2001	2002	2002	2003
	(dollars in thousands)				(dollars in thousands)	
Reconciliation of Cash Flows from Operations to EBITDA:						
Net cash provided by operating activities	$ 52,985	$ 55,218	$ 131,281	$ 1,185	$ 59,756	$ 48,422
Net interest paid (collected)	20	(3,065)	(3,903)	315	30,187	46,152
Pension and other employee retirement benefits	(2,490)	(2,968)	(3,861)	(546)		
Impairment losses on intangible assets						(53,712)
Other working capital changes	32,865	46,617	3,143	12,753	15,496	19,522
Changes in other non-cash items	(200)	(2,207)	(2,207)	(1,340)	(9,456)	(11,489)
Other assets and liabilities	(34)				393	(2,085)
EBITDA	$ 83,146	$ 93,595	$ 124,453	$ 12,367	$ 96,376	$ 46,810

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the information set forth under Selected Historical Financial Data and our consolidated financial statements and the notes to those statements included elsewhere herein. The statements in this discussion regarding our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under Forward-Looking Statements. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

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.

At the time of our acquisition from Verizon on February 14, 2002, we anticipated that our future revenues from Verizon Wireless would decrease. The expected decline in Verizon Wireless revenues was based on a number of specific events, including Verizon Wireless planned movement of certain services in-house and the termination of Verizon Wireless contract with us relating to the technology supporting the OnStar application. In anticipation of this decrease, we entered into a revenue guaranty agreement on February 14, 2002 pursuant to which Verizon Information Services agreed to pay us 82.5% of the amount, if any, by which our annual revenues from Verizon Wireless and certain of its affiliates were less than specified annual revenue minimums beginning from the date of the acquisition and continuing through December 31, 2005. The revenue minimums were $45.4 million for the period from February 14, 2002 to December 31, 2002, $34.9 million for the year ended December 31, 2003, $33.5 million for the year ended December 31, 2004 and $33.2 million for the year ended December 31, 2005. These agreed-upon revenue minimums compare to $84.9 million of 2001 revenues from Verizon Wireless. Although our revenues from Verizon Wireless have declined following our acquisition from Verizon, these revenues still exceeded the revenue minimums in 2002 and 2003. As a result, we have not received and do not expect to receive any payments under the Verizon Wireless revenue guaranty.

At the time of the acquisition, we also had identified several other customers that we believed might cease using our clearinghouse, call processing and prepaid wireless services during 2002 and 2003. We expected a reduction in Cingular Wireless revenues due to contractual arrangements made by Cingular Wireless parent company as part of the sale of its international clearinghouse business, whereby Cingular Wireless was required to move its clearinghouse business to the buyer as part of a multi-year agreement. As a result, our clearinghouse revenues from Cingular Wireless declined from $8.6 million in 2001 to $0.6 million in 2002, which was the year that the contract was terminated. Virtually all of the Cingular Wireless clearinghouse business was moved to this other provider prior to our acquisition from Verizon.

In addition, we anticipated declines in our call processing services and enterprise solutions revenues. The decline in call processing was attributable to technology developments that have resulted in traditional call processing functionality being incorporated into more cost-effective SS7 network solutions. 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. This has resulted in customers increasingly moving from our call processing solution to our SS7 network, a competitor s SS7 network, in-house SS7 networks and/or direct connections with roaming partners. Call processing services revenues declined $10.0 million from $52.8 million for 2002 to $42.8 million for 2003. This decline was in line with our expectations. We expect the decline to continue at a rate similar to the 2002 to 2003 reduction. Enterprise

solutions revenues declined $5.0 million from $20.3 million in 2002 to $15.3 million in 2003, of which $4.5 million was attributed to our prepaid services offering. The decline was primarily the result of a decision by a customer to move to its parent company s prepaid wireless platform following an acquisition. This customer s decision to stop using our prepaid services was made prior to our acquisition from Verizon. We have discontinued offering any prepaid services and we no longer earn revenues from these services.

These revenue declines were partially offset by continued strength in our clearinghouse services driven by growth from existing customers or services, which we refer to as organic volume growth, and the addition of new customers. In addition, we have experienced strong network services revenue growth driven by increased intelligent network database query volumes, messaging volumes and signaling. Furthermore, the introduction of number portability services has contributed significantly to the growth of our business over this period. In order to encourage higher customer transaction volumes, our pricing strategy generally includes negotiating tiered pricing schedules with our customers based on certain established transaction volume levels. As a result, the average price per transaction for many of our products has declined over time as customers have increasingly used our services and transaction volumes have grown. We expect this trend to continue.

Acquisitions

On July 23, 2003, we merged with Brience. In connection with the merger, the former stockholders of Brience received an aggregate of 100,000 common units of Syniverse Holdings, LLC, which represented approximately 0.1% of the outstanding common units. The principal operations of Brience, now known as Syniverse Brience, at the time of the merger included the sale and servicing of its Mobile Processing Server product, an integrated software design and development environment for building mobile solutions that control formatting for wireless devices.

Since the funds associated with GTCR had a controlling interest in both Brience and Syniverse Holdings, LLC at the time of the merger, the transaction was accounted for as a combination of entities under common control, similar to a pooling of interests. Accordingly, our historical consolidated financial statements include the financial results of Brience beginning on the date when the funds associated with GTCR had common control of both entities (February 14, 2002). Brience s pre-acquisition net loss included in our historical results of operations was $13.8 million and $1.9 million for the period between February 14, 2002 and December 31, 2002 and the period between January 1, 2003 and July 23, 2003, respectively.

On December 19, 2003, we acquired Softwright Holdings Limited for $0.8 million cash and the assumption of liabilities of $1.3 million. Softwright Holdings Limited, now known as Syniverse Holdings Limited, develops software products and services for mobile operators and enterprise customers. Syniverse Holdings Limited also provides mobile number portability services throughout Europe and is the sole provider of these services in the United Kingdom. Under the terms of the acquisition, we agreed to make a payment not to exceed £2.0 million to the former owners of the acquired company no later than March 31, 2005 if this operation achieved a certain predetermined profitability level, as measured by EBITDA, for the period ending October 31, 2004. No amounts have been accrued for this additional earn-out as of December 31, 2003.

Basis of Presentation

Prior to our acquisition, we operated as a subsidiary of Verizon. As a result, the historical financial information included herein for periods prior to the acquisition does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during those periods.

Our acquisition from Verizon was accounted for using the purchase method of accounting. As a result, the acquisition has affected our results of operations in certain significant respects. The aggregate acquisition costs,

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including transaction costs of approximately $808.6 million, have been allocated to the tangible and intangible assets acquired and liabilities assumed by us based upon their respective fair values as of the acquisition date. This has resulted in a significant increase in our annual depreciation and amortization expense. Due to the effects of the increased borrowings used to finance the acquisition, our interest expense has increased significantly in the periods following the acquisition. In addition, due to the effects of the 10% dividend requirements of our class B cumulative redeemable convertible preferred stock issued at the time of the acquisition, our net income attributable to common unitholders has been reduced. The application of purchase accounting rules also resulted in different accounting bases, and hence the financial information for the periods beginning on February 14, 2002 are not comparable to the information prior to this date.

At the time of our acquisition of Brience, investment funds controlled by GTCR controlled both Brience and us. As a result, the acquisition has been accounted for as a combination of entities under common control, similar to a pooling of interests, whereby the assets and liabilities of Brience were combined at their historical amounts as of the date that the GTCR funds had control of both entities, which was February 14, 2002. Accordingly, our historical consolidated financial statements have been restated to include the financial results of Brience beginning on such date.

The acquisition of Softwright was accounted for using the purchase method of accounting, and hence the results of operations have been included since the date of acquisition.

Introduction

We provide an integrated suite of services that simplify wireless technology complexities by integrating disparate wireless carriers systems and networks in order to provide seamless global voice and data communications to wireless subscribers. These services include:

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 SS7 network, we connect disparate wireless carrier networks and 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.

Number Portability Services. Our number portability 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.

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.

Off-Network Database Queries. We provide our network customers with access to various third-party intelligent network databases.

Revenues

Most of our revenues are transaction-based and derived from long-term contracts, typically with terms averaging three years in duration. Most of the services and solutions we offer to our customers are based on applications, network connectivity and technology platforms owned and operated by us. A small amount of our revenues are generated through software license sales. We generate our revenues primarily through the sale of

our technology interoperability services, network services, number portability services, call processing services and enterprise solutions to telecommunications carriers throughout the world. In order to encourage higher customer transaction volumes, we generally negotiate tiered pricing schedules with our customers based on certain established transaction volume levels. As a result, the average per-transaction fee for many of our products has declined over time as customers have increasingly used our services and transactions volumes have grown. We expect this trend to continue. Generally, there is also a slight increase in wireless roaming telephone usage and corresponding revenues in the high-travel months of the second and third fiscal quarters.

Future increases or decreases in revenues are dependent on many factors, such as industry subscriber growth, with few of these factors known in advance. From time to time, specific events such as customer contract renewals at different terms, a customer contract termination, or a customer s decision to change technologies or to provide solutions in-house, will be known to us, and then we can estimate their impact on our revenues.

Set forth below is a brief description of our primary service offerings.

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. Wireless carriers send data records to our service platforms for processing, aggregation, translation and distribution among carriers. We primarily generate revenues by charging per-transaction processing fees based on the number of data/messaging records provided to us by wireless carriers for our wireless roaming clearinghouse, SMS routing services and wireline network access billing. We recognize revenues at the time the transactions are processed. Over time, we expect the average per-transaction fee for certain services to continue to decline as a result of our volume-based pricing strategy as well as potential competitive pricing pressure.

Network Services. Through our SS7 network, we connect disparate wireless carrier networks and enable access to intelligent network database services like caller ID. We also 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. We primarily generate revenues by charging per-transaction processing fees. In addition, our customers pay monthly connection fees based on the number of network connections as well as the number of switches with which a customer communicates. The per-transaction fees are based on the number of intelligent network messages and intelligent network database queries made through our network and are recognized as revenues at the time the transactions are processed. Over time, we expect the average per-transaction fee for certain services will continue to decline as a result of our volume-based pricing strategy and potential competitive pricing pressures.

In addition, a small amount of our network services revenues is generated through software license fees, maintenance agreements and professional services. License fee revenues consist principally of revenues from the licensing of our software and are generally recognized over the contract period. Maintenance agreements call for us to provide technical support and software enhancements to customers. Revenues on technical support and software enhancement rights are recognized ratably over the term of the support agreement. Professional services include consulting, training and installation services to our customers. Revenues from such services are generally recognized on a straight-line basis over the same period as the software license fees.

Number Portability Services. We provide number portability services to the wireless industry. When a wireless subscriber chooses to change carriers but keep their existing telephone number, the former carrier must send the subscriber information to the new carrier. Our services perform the necessary processing between the two carriers to allow the subscriber to change service providers while keeping their existing telephone number. We primarily generate revenues by charging per-transaction processing fees, monthly fixed fees and fees for customer implementations. We recognize processing revenues at

the time the transactions and services are processed. We recognize monthly fixed fees as revenues on a monthly basis as the services are performed. We defer revenues related to customer implementations and recognize these fees on a straight-line basis over the life of the initial customer agreements. We expect pricing and revenues to remain stable over the near term.

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 calls while roaming on another carrier s network. We primarily generate revenues by charging per-transaction processing fees based on the number of validation, authorization and other call processing messages generated by wireless subscribers. We recognize processing fee revenues at the time the transactions are processed. We expect our call processing revenues will continue to decline as a result of technology developments that have resulted in traditional call processing functionality being incorporated into more cost-effective SS7 network solutions. This has resulted in customers increasingly replacing our call processing solution with our SS7 network, competitor SS7 networks, in-house SS7 networks and/or direct connections with roaming partners.

Enterprise Solutions Services. Our enterprise wireless data management platform allows carriers to offer large corporate customers reporting and analysis tools to manage telecom-related expenses. We primarily generate revenues by charging per-subscriber fees. We recognize these revenues at the time the service is performed. Pricing and revenues are not expected to vary over the near term.

Off-Network Database Queries. Through interconnection with other carrier networks, we have access to other service providers databases that support caller ID and toll-free routing. If one of our customers uses our network to access another service provider s database, we are charged fees for access to that database. We pass these charges onto our customers, with little or no margin, based upon the charges we receive from these database providers. We recognize revenues at the time the transaction is performed. Over time, these revenues are expected to continue to decline as customers seek direct connections with the database providers.

For more information about how we recognize revenues for each of our service categories, please see the discussion below under Critical Accounting Policies.

Costs and Expenses

Our costs and expenses consist of cost of operations, sales and marketing, general and administrative, and depreciation and amortization.

Cost of operations includes data processing costs, network costs, royalty costs, personnel costs associated with service implementation, training and customer care, and off-network database query charges.

Sales and marketing includes personnel costs, advertising costs, trade show costs and relationship marketing costs.

General and administrative consists primarily of research and development expenses, a portion of the expenses associated with our facilities, internal management expenses, business development expenses, and expenses for finance, legal, human resources and other administrative departments. In addition, we incur significant service development costs. These costs, which are primarily personnel, relate to technology creation, enhancement and maintenance of new and existing services. Historically, most of these costs are expensed and recorded as general and administrative expenses. The capitalized portion, which is recorded as capitalized software costs, relates to costs incurred during the application development stage for the new service offerings and significant service enhancements.

Depreciation and amortization relate primarily to our property and equipment including our SS7 network, infrastructure facilities related to information management and other intangible assets recorded in purchase accounting.

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Results of Operations

Our results before and after February 14, 2002 are not generally comparable due to the effects of purchase accounting and the changes in the capital and cost structures established to operate the company on a stand-alone basis. However, to aid in the comparison to the twelve months ended December 31, 2002, we have combined the period from January 1, 2002 to February 13, 2002 and the period from February 14, 2002 to December 31, 2002 and included explanations about the effects of purchase accounting. The full twelve months ended December 31, 2002 are referred to as combined herein.

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Comparison of 2003 to Combined Financial Statements for 2002

The following table presents an overview of our results of operations for the years ended December 31, 2003 and 2002:

	Predecessor		Successor		Successor		2003 vs. 2002	
	Period from January 1 to February 13, 2002	% of Revenues	Period from February 14 to December 31, 2002	% of Revenues	Year Ended December 31, 2003	% of Revenues	Change $	Change %
	(dollars in thousands)				(dollars in thousands)			
Revenues:								
Technology Interoperability Services	$ 8,464	21.2%	$ 70,215	23.7%	$ 66,536	24.5%	$ (12,143)	(15.4)%
Network Services	14,103	35.2%	99,647	33.7%	111,845	41.2%	(1,905)	(1.7)%
Number Portability Services		0.0%	860	0.3%	5,469	2.0%	4,609	535.9%
Call Processing Services	6,429	16.1%	46,336	15.7%	42,764	15.8%	(10,001)	(19.0)%
Enterprise Solutions	2,412	6.0%	17,869	6.0%	15,265	5.6%	(5,016)	(24.7)%
Revenues (excluding Off-Network Database Query Fees)	31,408	78.5%	234,927	79.4%	241,879	89.1%	(24,456)	(9.2)%
Off-Network Database Query Fees	8,588	21.5%	61,117	20.6%	29,529	10.9%	(40,176)	(57.6)%
Total revenues	$ 39,996	100.0%	$ 296,044	100.0%	$ 271,408	100.0%	$ (64,632)	(19.2)%
Costs and expenses:								
Cost of operations	20,655	51.6%	130,364	44.0%	109,744	40.4%	(41,275)	(27.3)%
Sales and marketing	2,614	6.5%	22,706	7.7%	18,631	6.9%	(6,689)	(26.4)%
General and administrative	3,001	7.5%	42,630	14.4%	39,881	14.7%	(5,750)	(12.6)%
Provision for (recovery of) uncollectible accounts	1,340	3.4%	(693)	(0.2)%	466	0.2%	(181)	(28.0)%
Depreciations and amortization	1,464	3.7%	33,285	11.2%	37,319	13.8%	2,570	7.4%
Restructuring		0.0%	2,845	1.0%	2,164	0.8%	(681)	(23.9)%
Impairment losses on intangible assets		0.0%		0.0%	53,712	19.7%	53,712	100.0%
	29,074	72.7%	231,137	78.1%	261,917	96.5%	1,706	0.7%
Operating income	10,922	27.3%	64,907	21.9%	9,491	3.5%	(66,338)	(87.5)%
Other income (expense), net:								
Interest Income	432	1.1%	965	0.4%	768	0.3%	(629)	(45.0)%
Interest expense		0.0%	(54,105)	(18.3)%	(58,128)	(21.4)%	(4,023)	7.4%
Other, net	(19)	(0.0)%	(275)	(0.1)%		0.0%	294	(100.0)%
	413	1.0%	(53,415)	(18.0)%	(57,360)	(21.1)%	(4,358)	8.2%
Income (loss) from continuing operations before provision for income taxes	11,335	28.3%	11,492	3.9%	(47,869)	(17.6)%	(70,696)	(309.7)%
Provision for income taxes	4,418	11.0%	9,320	3.2%	10,057	3.7%	(3,681)	(26.8)%
	6,917	17.3%	2,172	0.7%	(57,926)	(21.3)%	(67,015)	(737.3)%

Income (loss) from continuing operations								
Loss from discontinued operations		0.0%	(1,541)	(0.5)%		0.0%	1,541	(100.0)%
Net income (loss)	6,917	17.3%	631	0.2 %	(57,926)	(21.3)%	(65,474)	(867.4)%
Preferred dividends		0.0%	(22,952)	(7.7)%	(28,581)	(10.6)%	(5,629)	(24.5)%
Net income (loss) attributable to common shareholders/unitholders	$ 6,917	17.3%	$ (22,321)	(7.5)%	$ (86,507)	(31.9)%	$ (71,103)	461.6%

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Revenues

Total revenues were $271.4 million for 2003 as compared to total combined revenues of $336.0 million for 2002, which is the total of the revenues for the period from January 1, 2002 to February 13, 2002 and the period from February 14, 2002 to December 31, 2002. The decrease of $64.6 million was primarily driven by a reduction in Off-Network Database Query fees of $40.2 million. Excluding Off-Network Database Query fees, total revenues declined $24.5 million in 2003. The primary drivers of this decrease were total reductions in revenues from Verizon Wireless of $17.9 million across our service offerings, a $7.6 million decline in call processing revenues from customers other than Verizon Wireless, a $5.9 million decrease in revenues from Adelphia Business Systems related to carrier access billings and a $3.2 million decrease in prepaid wireless services as a result of the termination of the contract of a customer which was acquired. The decline in Verizon Wireless revenues was consistent with management s expectations. Further declines in Verizon Wireless revenues could occur as a result of lower pricing of future contract renewals consistent with our volume-based pricing strategy. Over time, we believe these decreases will likely be offset, in part, by higher transaction volumes and additional service offerings to Verizon Wireless. These losses were partially offset by organic volume growth in Technology Interoperability Service and Network Services.

Technology Interoperability Services revenues were $66.5 million for 2003 as compared to combined revenues of $78.7 million for 2002. The decrease of $12.1 million was due primarily to a reduction in Verizon Wireless revenues of $5.6 million, a $5.9 million decrease in Adelphia s carrier access billing revenues, and decreases due to contract renewals for certain customers at lower rates. Verizon s revenue decrease was primarily the result of clearinghouse volume declines associated with its continued internal billing system consolidation efforts, which reduced its requirements for our services. Revenues also declined due to lower per-transaction fees pursuant to our volume-based pricing strategy for certain services and a competitive pricing environment. These revenue decreases in our wireless clearinghouse services were partially offset by organic volume growth.

Network Services revenues were $111.8 million for 2003 as compared to combined revenues of $113.8 million for 2002. The primary driver of this $1.9 million decrease was the $12.4 million reduction of revenues from Verizon Wireless, offset by increased revenues generated by strong volume growth in our network transport and intelligent network database services. Associated with our volume growth was a decline in per-transaction fees pursuant to our volume-based pricing strategy and a competitive pricing environment.

Number Portability Services revenues were $5.5 million for 2003, as compared to combined revenues of $0.9 million for 2002. The $4.6 million increase in 2004 was due to the November 24, 2003 launch of our wireless number portability services. Our 2003 results include only five weeks of revenues from these newly introduced services.

Call Processing Services revenues decreased $10.0 million to $42.8 million for 2003 as compared to combined revenues of $52.8 million for 2002. Revenues from Verizon Wireless in this category declined $2.4 million in 2003 with the remaining decline attributed to our other customers. The decline was attributable to technology developments that have resulted in traditional call processing functionality being incorporated into more cost-effective and robust SS7 network solutions. This has resulted in customers increasingly moving from our call processing solution to our SS7 network, a competitor s SS7 network, in-house SS7 networks and/or direct connections with roaming partners. We expect this decline to continue.

Enterprise Solutions Services revenues were $15.3 million for 2003 as compared to combined revenues of $20.3 million for 2002. The decrease of $5.0 million is primarily due to the anticipated loss of a customer using our prepaid wireless solution. We no longer offer this prepaid wireless service.

Off-Network Database Queries revenues were $29.5 million for 2003 as compared to combined revenues of $69.7 million for 2002. The decrease of $40.2 million was driven by customers moving to direct billing arrangements with third-party intelligent network database providers. We pass off-network database query fees on to our customers, with little or no margin, based upon the charges we receive from the third-party database providers. We expect this decline to continue.

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Expenses

Cost of operations was $109.7 million for the year ended December 31, 2003. Cost of operations was $20.7 million in the period from January 1, 2002 to February 13, 2002 and $130.4 million in the period from February 14, 2002 to December 31, 2002. Combined cost of operations was $151.0 million for the year ended December 31, 2002. The decrease of $41.3 million for 2003 as compared to combined 2002 was primarily due to lower Off-Network Database Query Fees of $40.2 million and savings due to the workforce restructurings that occurred in April and August of 2002 and February and July 2003.

Sales and marketing expenses were $18.6 million for the year ended December 31, 2003. Sales and marketing expenses were $2.6 million in the period from January 1, 2002 to February 13, 2002 and $22.7 million in the period from February 14, 2002 to December 31, 2002. Combined sales and marketing expenses were $25.3 million for the year ended December 31, 2002. The decrease of $6.7 million for 2003 as compared to combined 2002 was due to lower headcount and employee-related expenses within the sales and marketing organization resulting from the reductions in the workforce in April and August of 2002 and February and July 2003. Offsetting this decrease was a $1.6 million increase in costs associated with our international expansion efforts.

General and administrative expenses were $39.9 million for the year ended December 31, 2003. General and administrative expenses were $3.0 million in the period from January 1, 2002 to February 13, 2002 and $42.6 million in the period from February 14, 2002 to December 31, 2002. Combined general and administrative expenses were $45.6 million for the year ended December 31, 2002. The decrease of $5.8 million for 2003 as compared to combined 2002 was due to lower development expenses, and reductions in our workforce in April and August of 2002 and February and July 2003. Offsetting this decrease was a $0.6 million increase in costs associated with our international expansion efforts.

Provision for (recovery of) uncollectible accounts was $0.5 million for the year ended December 31, 2003. Provision for uncollectible accounts was $1.3 million in the period from January 1, 2002 to February 13, 2002 and a net recovery of $0.7 million in the period from February 14, 2002 to December 31, 2002. Combined provision for uncollectible accounts was $0.6 million for the year ended December 31, 2002. The decrease of $0.2 million for 2003 as compared to combined 2002 was due to a lower number of customer bankruptcies.

Depreciation and amortization expenses were $37.3 million for the year ended December 31, 2003. Depreciation and amortization expenses were $1.5 million in the period from January 1, 2002 to February 13, 2002 and $33.3 million in the period from February 14, 2002 to December 31, 2002. Combined depreciation and amortization expenses were $34.7 million for the year ended December 31, 2002. The increase of $2.6 million for 2003 as compared to combined 2002 was due to higher depreciation and amortization expenses related to intangible assets recorded in purchase accounting associated with our 2002 acquisition from Verizon and from the acquisition of Softwright. Included in our depreciation and amortization expenses for the year ended December 31, 2003 and the period from February 14, 2002 to December 31, 2002 is approximately $21.7 million and $17.8 million in amortization related to these acquisitions, respectively.

Restructuring expenses were $2.2 million in the year ended December 31, 2003. We had no restructuring expenses in the period from January 1, 2002 to February 13, 2002 and $2.8 million of restructuring expenses in the period from February 14, 2002 to December 31, 2002. This resulted in a decrease of $0.7 million for 2003 as compared to combined 2002. On February 28, 2003, we completed a restructuring plan, resulting in the termination of 71 employees or approximately 10.6% of our workforce. As a result, we accrued $1.8 million in severance related costs in February 2003. In July 2003, we recorded an additional restructuring expense of $0.6 million related to terminations made at the time of our merger with Brience.

Impairment losses on intangible assets. Due to the re-branding and re-naming of Syniverse Technologies effective March 1, 2004, we recognized impairment losses of $51.0 million related to the TSI Telecommunication Services Inc. trademark. We also recognized impairment losses of $2.7 million related to capitalized software write-offs arising primarily due to the discontinuation of prepaid wireless services. There were no impairment losses in combined 2002.

Interest income was $0.8 million for the year ended December 31, 2003. Interest income was $0.4 million in the period from January 1, 2002 to February 13, 2002 and $1.0 million in the period from February 14, 2002 to December 31, 2002. Combined interest income was $1.4 million for the year ended December 31, 2002. The decrease of $0.6 million for 2003 as compared to combined 2002 was due to the extinguishment of the note receivable from Verizon in February 2002, offset by improved collections from our customers in 2003 increasing our cash balances.

Interest expense was $58.1 million for the year ended December 31, 2003. There was no interest expense in the period from January 1, 2002 to February 13, 2002. Interest expense was $54.1 million in the period from February 14, 2002 to December 31, 2002. The decrease of $4.0 million for 2003 as compared to combined 2002 was primarily due to a lower principal balance on our senior credit facility.

Provision for income taxes was $10.1 million for the year ended December 31, 2003. Provision for income taxes was $4.4 million in the period from January 1, 2002 to February 13, 2002 and $9.3 million in the period from February 14, 2002 to December 31, 2002. Combined provision for income taxes was $13.7 million for the year ended December 31, 2002. The decrease of $3.7 million for 2003 as compared to combined 2002 was primarily due to the large loss for financial reporting purposes in 2003, primarily attributable to the impairment losses. Primarily as a result of our impairment loss in the fourth quarter of 2003, we concluded that it was appropriate to establish a full valuation allowance against our net deferred tax assets, excluding defined tax liabilities related to goodwill, resulting in a net tax expense of $10.1 million. The deferred tax assets arise primarily from federal net operating losses which expire between 2006 and 2023. These net operating losses relate primarily to Brience s operations in periods prior to February 14, 2002. Because we do not amortize goodwill for financial reporting purposes and cannot predict if or when this deferred tax liability will turn, we are unable to consider the associated deferred tax liabilities in this analysis.

Loss on discontinued operations was $1.5 million for the period from February 14, 2002 to December 31, 2002. This loss is due to Brience s divestiture of its Hello Asia subsidiary in July 2002. There were no discontinued operations in 2003.

Undeclared and unpaid preferred unit dividends were $23.0 million in the period from February 14, 2002 to December 31, 2002. Undeclared and unpaid preferred unit dividends were $28.6 million for the year ended December 31, 2003. The preferred unit dividends relate to the 10% preferred yield on the Class B preferred units issued on February 14, 2002. These dividends compound quarterly. The amounts are not recorded as liabilities until declared.

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Comparison of Combined Financial Statements for 2002 to Financial Statements for 2001

The following table presents an overview of our results of operations for the years ended December 31, 2001 and 2002:

	Predecessor				Successor		2002 vs. 2001	
	Year Ended December 31, 2001	% of Revenues	Period from January 1 to February 13, 2002	% of Revenues	Period from February 14 to December 31, 2002	% of Revenues	Change $	Change %
	(dollars in thousands)				(dollars in thousands)			
Revenues:								
Technology Interoperability Services	$ 82,312	22.7%	$ 8,464	21.2%	$ 70,215	23.7%	$ (3,633)	(4.4)%
Network Services	105,369	29.2%	14,103	35.2%	99,647	33.7%	8,381	8.0%
Number Portability Services		0.0%		0.0%	860	0.3%	860	100.0%
Call Processing Services	65,241	18.1%	6,429	16.1%	46,336	15.7%	(12,476)	(19.1)%
Enterprise Solutions	39,319	10.9%	2,412	6.0%	17,869	6.0%	(19,038)	(48.4)%
Revenues (excluding Off-Network Database Query Fees)	292,241	80.9%	31,408	78.5%	234,927	79.4%	(25,906)	(8.9)%
Off-Network Database Query Fees	69,117	19.1%	8,588	21.5%	61,117	20.6%	588	0.9%
Total revenues	$ 361,358	100.0%	$ 39,996	100.0%	$ 296,044	100.0%	$ (25,318)	(7.0)%
Costs and expenses:								
Cost of operations	169,025	46.8%	20,655	51.6%	130,364	44.0%	(18,006)	(10.7)%
Sales and marketing	24,348	6.7%	2,614	6.5%	22,706	7.7%	972	4.0%
General and administrative	41,245	11.4%	3,001	7.5%	42,630	14.4%	4,386	10.6%
Provision for (recovery of) uncollectible accounts	2,207	0.6%	1,340	3.4%	(693)	(0.2)%	(1,560)	(70.7)%
Depreciations and amortization	15,203	4.2%	1,464	3.7%	33,285	11.2%	19,546	128.6%
Restructuring		0.0%		0.0%	2,845	1.0%	2,845	100.0%
	252,028	69.7%	29,074	72.7%	231,137	78.1%	8,183	3.2%
Operating income	109,330	30.3%	10,922	27.3%	64,907	21.9%	(33,501)	(30.6)%
Other income (expense), net:								
Interest income	3,903	1.1%	432	1.1%	965	0.4%	(2,506)	(64.2)%
Interest expense		0.0%		0.0%	(54,105)	(18.3)%	(54,105)	100.0%
Other, net	(80)	(0.0)%	(19)	(0.0)%	(275)	(0.1)%	(214)	267.5%
	3,823	1.1%	413	1.0%	(53.415)	(18.0)%	(56,825)	(1486.4)%
Income from continuing operations before provision for income taxes	113,153	31.3%	11,335	28.3%	11,492	3.9%	(90,326)	(79.8)%
Provision for income taxes	43,895	12.1%	4,418	11.0%	9,320	3.2%	(30,157)	(68.7)%
Income from continuing operations	69,258	19.2%	6,917	17.3%	2,172	0.7%	(60,169)	(86.9)%
Loss from discontinued operations		0.0%		0.0%	(1,541)	(0.5)%	(1,541)	100.0%
Net income	69,258	19.2%	6,917	17.3%	631	0.2%	(61,710)	(89.1)%
Preferred dividends		0.0%		0.0%	(22,952)	(7.7)%	(22,952)	100.0%

Net income (loss) attributable to common shareholders/unitholders	$ 69,258	19.2%	$ 6,917	17.3%	$ (22,321)	(7.5)%	$ (84,662)	(122.2)%

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Revenues

Total revenues were $336.0 million for 2002, which is the total of the revenues for the period from January 1, 2002 to February 13, 2002 and the period from February 14, 2002 to December 31, 2002, as compared to revenues of $361.4 million for 2001. Excluding Off-Network Database Query fees, total revenues declined $25.9 million in 2002. The primary drivers of this decrease were reductions in revenues from Verizon Wireless of $19.1 million, revenues from Cingular Wireless clearinghouse services of $8.0 million, call processing revenues from customers other than Verizon Wireless of $10.1 million and prepaid wireless revenues from customers other than Verizon Wireless of $8.2 million. The reduction in revenues from Cingular Wireless was due to contractual arrangements made by Cingular Wireless parent upon the sale of its international clearinghouse business, whereby Cingular Wireless was required to move its clearinghouse business to the buyer. These revenue declines were partially offset by strong volume growth in Technology Interoperability Services and the addition of several new Network Services customers.

Technology Interoperability Services revenues were $78.7 million for combined 2002 as compared to $82.3 million for 2001. The primary drivers of this $3.6 million decrease were the decreases of Verizon revenues by $7.2 million and Cingular Wireless revenues by $8.0 million. The Verizon revenues decline resulted primarily from Verizon consolidating certain internal billing systems, which reduced their requirements for our services. Cingular Wireless moved its clearinghouse business to the buyer as part of a multi-year agreement. This decrease was also attributable to a decline in per-transaction fees pursuant to our volume-based pricing strategy and a competitive pricing environment. The reduction was partially offset by strong organic growth in our wireless clearinghouse services.

Network Services revenues were $113.8 million for combined 2002 as compared to revenues of $105.4 million for 2001. The increase of $8.4 million was due to organic volume growth in our network transport services and intelligent network database services and the addition of several new customers. This growth in revenue was partially offset by a decline in per-transaction fees pursuant to our volume-based pricing strategy and a competitive pricing environment.

Call Processing Services revenues decreased $12.5 million to $52.8 million for combined 2002 as compared to revenues of $65.2 million for 2001. Verizon Wireless revenue declined $2.3 million in 2002. The remaining decline was attributable to technology developments that have resulted in traditional call processing functionality being incorporated into more cost-effective SS7 network solutions. This has resulted in customers increasingly moving from our call processing solution to our SS7 network, a competitor s SS7 network, in-house SS7 networks and/or direct connections with roaming partners. We expect this decline to continue.

Enterprise Solutions Services revenues were $20.3 million for combined 2002 as compared to revenues of $39.3 million for 2001. The decrease was $19.0 million during this period. Of this amount, $4.4 million was related to Verizon Wireless consolidating its prepaid service with other Verizon affiliates and $8.8 million was due to Verizon Wireless retaining the customer contracts related to the OnStar revenue stream at the time of our acquisition from Verizon. In addition, a non-recurring hardware sale of approximately $6.5 million occurred in 2001.

Number Portability Services revenues were $0.9 million for combined 2002 and related services rendered for carrier preparation for the 2003 introduction of wireless number portability.

Off-Network Database Queries revenues were $69.7 million for combined 2002 as compared to revenues of $69.1 million for 2001. The increase of $0.6 million was driven by higher database transactions. We pass these charges on to our customers, with little or no margin, based upon the charges we receive from the third-party intelligent network database providers.

Expenses

Cost of operations was $20.7 million in the period from January 1, 2002 to February 13, 2002 and $130.4 million in the period from February 14, 2002 to December 31, 2002. Combined cost of operations was $151.1 million for the year ended December 31, 2002. Cost of operations was $169.0 million for the year ended December 31, 2001. The decrease of $17.9 million for combined 2002 as compared to 2001 was primarily due to reduced pricing for data processing services and the workforce reductions that occurred in April and August of 2002. The reduced pricing for data processing services is primarily related to our separation from Verizon as we renegotiated our contract with Verizon for data processing services. Our cost savings from this process were approximately $12.0 million in 2002.

Sales and marketing expenses were $2.6 million in the period from January 1, 2002 to February 13, 2002 and $22.7 million in the period from February 14, 2002 to December 31, 2002. Combined sales and marketing expenses were $25.3 million for the year ended December 31, 2002. Sales and marketing expenses were $24.3 million for the year ended December 31, 2001. The increase of $1.0 million for combined 2002 as compared to 2001 is primarily due to the inclusion of historical Brience results which were $3.3 million in 2002, offset by lower headcount and employee-related expenses within the sales organization resulting from the reductions in workforce.

General and administrative expenses were $3.0 million in the period from January 1, 2002 to February 13, 2002 and $42.6 million in the period from February 14, 2002 to December 31, 2002. Combined general and administrative expenses were $45.6 million for the year ended December 31, 2002. General and administrative expenses were $41.2 million for the year ended December 31, 2001. The increase of $4.4 million for combined 2002 as compared to 2001 is primarily due to the inclusion of historical Brience results, which were $9.2 million in 2002, offset by lower development expenses as well as the reductions in workforce, which occurred in April and August of 2002.

Provision for (recovery of) uncollectible accounts was $1.3 million in the period from January 1, 2002 to February 13, 2002 and ($0.7) million in the period from February 14, 2002 to December 31, 2002. Combined provision for (recovery of) uncollectible accounts was $0.6 million for the year ended December 31, 2002. Provision for (recovery of) uncollectible accounts was $2.2 million for the year ended December 31, 2001. The decrease of $1.6 million for combined 2002 as compared to 2001 is primarily due to lowered allowances related to our Competitive Local Exchange Carrier customers.

Depreciation and amortization expenses were $1.5 million in the period from January 1, 2002 to February 13, 2002 and $33.3 million in the period from February 14, 2002 to December 31, 2002. Combined depreciation and amortization expenses were $34.8 million for the year ended December 31, 2002. Depreciation and amortization expenses were $15.2 million for the year ended December 31, 2001. The increase of $19.6 million for combined 2002 as compared to 2001 is primarily due to higher depreciation and amortization expenses related to intangible assets recorded in purchase accounting associated with our 2002 acquisition from Verizon. Included in our depreciation and amortization expenses for the year ended December 31, 2002 is approximately $17.8 million in amortization related to our acquisition from Verizon.

Restructuring. On August 29, 2002, we completed a restructuring resulting in the termination of 73 employees, or approximately 10% of the workforce at that time. As a result, we accrued $2.8 million in severance related costs in August 2002.

Interest income was $0.4 million in the period from January 1, 2002 to February 13, 2002 and $1.0 million in the period from February 14, 2002 to December 31, 2002. Combined interest income was $1.4 million for the year ended December 31, 2002. Interest income was $3.9 million for the year ended December 31, 2001. The decrease of $2.5 million for combined 2002 as compared to 2001 is primarily due to the extinguishment of the note receivable from Verizon in February 2002.

Interest expense. There was no interest expense in the period from January 1, 2002 to February 13, 2002. Interest expense was $54.1 million in the period from February 14, 2002 to December 31, 2002. There was no interest expense in the year ended December 31, 2001. The increase of $54.1 million for combined 2002 as compared to 2001 is due to the issuance of debt in connection with the acquisition of Syniverse.

Provision for income taxes was $4.4 million in the period from January 1, 2002 to February 13, 2002 and $9.3 million in the period from February 14, 2002 to December 31, 2002. Combined provision for income taxes was $13.7 million for the year ended December 31, 2002. Provision for income taxes was $43.9 million for the year ended December 31, 2001. The decrease of $30.2 million for combined 2002 as compared to 2001 is primarily due to our lower net income due to higher net interest expense associated with the debt incurred in 2002 and higher depreciation and amortization expense in connection with our acquisition.

The $23.0 million of undeclared and unpaid preferred unit dividends in the period from February 14, 2002 to December 31, 2002 relate to the 10% preferred yield on the Class B preferred units issued on February 14, 2002. These dividends compound quarterly. The amounts are not recorded as liabilities until declared.

Liquidity and Capital Resources

Cash Flow Information

During the year ended December 31, 2003, our operations generated $48.4 million of cash compared to $60.9 million for the comparable period in 2002. The decrease was primarily attributable to increased interest payments made in the year ended December 31, 2003. Cash and cash equivalents were $8.3 million at December 31, 2003 as compared to $42.2 million at December 31, 2002. This decrease was due primarily to the payment of our $37.3 million excess cash sweep required under our senior credit facility in March 2003. A similar excess cash sweep payment of $3.0 million was required in March 2004. Our working capital decreased $8.7 million, to negative $1.5 million at December 31, 2003 from $7.2 million at December 31, 2002. This decrease in working capital was primarily due to the increase in scheduled debt service required by our senior credit facility in 2004. Capital expenditures for property and equipment, including capitalized software costs, increased to $18.3 million for the year ended December 31, 2003 from $12.9 million for the year ended December 31, 2002. Dividends paid to Verizon, excluding non-cash distributions, were $11.3 million in 2002.

During the combined year ended December 31, 2002, our operations generated $60.9 million of cash compared to $131.3 million for the comparable period in 2001. The decrease was primarily attributable to income tax payments made during the period from January 1, 2002 to February 13, 2002, the payment of closing costs related to our acquisition from Verizon, the inclusion of historical Brience results and interest payments and debt service payments made during the period from February 14, 2002 to December 31, 2002. Cash and cash equivalents were $42.2 million at December 31, 2002 as compared to $0.3 million at December 31, 2001, since we participated in a cash sweep program with Verizon prior to our acquisition from Verizon. Our working capital decreased $99.5 million, to $7.2 million at December 31, 2002 from $106.7 million at December 31, 2001, primarily due to the elimination of the note receivable from Verizon at the acquisition date, payment of the current portion of term note B and higher transition-related expense accruals. Capital expenditures for property and equipment, including capitalized software costs, increased to $12.9 million for the combined year ended December 31, 2002 from $10.4 million for the year ended December 31, 2001. Dividends paid to Verizon, excluding non-cash distributions, were $11.3 million in 2002 and $33.8 million in 2001.

For fiscal 2003, we spent approximately $18.3 million for capital expenditures, primarily for investment in Wireless Local Number Portability and our SS7 network expansion. For fiscal 2004, we expect to spend approximately $23.0 million for capital expenditures, primarily for our SS7 network expansion and infrastructure to support our products.

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Our acquisition from Verizon was financed through borrowings of $298.7 million under our senior credit facility, the sale of $245 million in aggregate principal amount of our 12 $^{3}/4$% senior subordinated notes due 2009 in a private placement and the sale by Syniverse Holdings, LLC of preferred and common units for approximately $255.3 million in cash.

Debt and Credit Facilities

Senior Credit Facility

In February 2002, we entered into our senior credit facility, which provides for aggregate borrowings of up to $328.3 million. The facility is comprised of a revolving credit facility of up to $35.0 million in revolving credit loans and letters of credit with the funds available for general corporate purposes including working capital, capital expenditures, acquisitions and a term loan B facility of $293.3 million in term loans. The revolving line of credit and the term note each bear interest at variable rates based on, at our option, LIBOR or the greater of the Prime Rate and the weighted average of the rates on overnight federal funds transactions plus 0.5%.

In May 2002, we repaid $5.4 million of the outstanding revolving credit facility. Draws and repayments are made against the revolving credit facility as needed.

On September 25, 2003, we amended our senior credit facility to: (i) increase the maximum consolidated leverage and consolidated senior debt ratios; (ii) reduce the minimum consolidated interest coverage ratios beginning with the third and fourth fiscal quarters of 2003 and the four fiscal quarters of 2004, 2005 and beyond; and (iii) reduce the minimum consolidated fixed charge coverage ratio. In addition, the amendment increased the permitted level of capital expenditures for fiscal years 2004 and 2005 and clarified that the operations of Brience for periods prior to its acquisition would not be included in the covenant calculation.

On March 11, 2004, we further amended our senior credit facility to: (i) provide for the incurrence under our senior credit facility of new additional tranche B term loans, which refinanced, in full, all remaining outstanding tranche B term loans and (ii) reduce the percentage of excess cash flow which must be applied to prepay the loans to 75%. The applicable margin with respect to additional tranche B term loans was reduced to 2.5% for base rate loans and 3.5% for eurodollar loans.

Our senior credit facility contains various restrictive covenants. It prohibits us from prepaying other indebtedness, including our 12 $^{3}/4$% senior subordinated notes, and it requires us to maintain specified financial ratios, such as a minimum ratio of pro forma EBITDA to interest expense, a minimum fixed charge coverage ratio, a maximum ratio of senior debt to pro forma EBITDA and a maximum ratio of total debt to pro forma EBITDA and satisfy other financial condition tests including limitations on capital expenditures. In addition, our senior credit facility prohibits us from declaring or paying any dividends and prohibits us from making any payments with respect to our 12 $^{3}/4$% senior subordinated notes if we fail to perform our obligations under, or fail to meet the conditions of, our senior credit facility or if payment creates a default under our senior credit facility. We believe we are in compliance with all of the covenants contained in our senior credit facility as of December 31, 2003.

Senior Subordinated Notes

As of December 31, 2003, we had approximately $245 million in aggregate principal amount of our 12 3/4% senior subordinated notes outstanding, which bear interest at a rate of 12 3/4% per annum and have a final maturity on February 1, 2009. The indenture governing our senior subordinated notes, among other things: (i) restricts our ability and the ability of our subsidiaries to incur additional indebtedness, issue shares of preferred stock, incur liens, pay dividends or make certain other restricted payments and enter into certain transactions with affiliates; (ii) prohibits certain restrictions on the ability of certain of our subsidiaries to pay dividends or make certain payments to us, and (iii) places restrictions on our ability and the ability of our

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subsidiaries to merge or consolidate with any other person or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of our assets. The indenture related to these notes and our senior credit facility also contain various covenants which limit our discretion in the operation of our businesses. As of December 31, 2003, we believe we are in compliance with all of the covenants contained in the indenture governing our senior subordinated notes.

Effect of Inflation

Inflation generally affects us by increasing our cost of labor, equipment and new materials. We do not believe that inflation has had any material effect on our results of operations during the years ended December 31, 2003 and 2002.

Non-GAAP Financial Measures

EBITDA

We determine EBITDA by adding net interest expense, income taxes, depreciation and amortization to net income (loss). Reconciliations of both net income (loss) and cash flows from operations to EBITDA are presented in the financial tables contained herein.

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 an assessment 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 report.

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Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported amounts of assets and liabilities, revenues and expenses. We consider an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates that could have been selected could have a material impact on our consolidated results of operations or financial condition. We have identified the following critical accounting policies that affect the more significant estimates and judgments.

Revenue Recognition

We derive revenues from six categories: Technology Interoperability Services, Network Services, Number Portability Services, Call Processing Services, Enterprise Solutions and Off-Network Database Queries. The revenue recognition policy for each of these areas is described under Revenues above:

Due to our billing cycles, which for some of our products lag as much as 40 days after the calendar month in which the services are rendered, we estimate the amounts of unbilled revenue each reporting period. Our estimates are based on recent volume and pricing trends adjusted for material changes in contracted service, because actual information is not available immediately. Based on a retrospective review of our actual billings compared to our estimates, our estimates have been reasonable. Historically, our estimates have approximated our actual subsequently billed revenue. Unanticipated changes in volume and pricing trends or material changes in contracted service could adversely affect our estimates of unbilled revenue. This estimate is critical to our financial statements because it impacts revenue and amounts recorded as accounts receivable on our balance sheet. As of December 31, 2003, our estimated unbilled revenues were $10.9 million. A 10% change in our estimate would result in either an increase or decrease in revenues and accounts receivable of approximately $1.1 million.

Allowance for Doubtful Accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to pay their invoices to us in full. We regularly review the adequacy of our accounts receivable allowance after considering the size of the accounts receivable balance, each customer s expected ability to pay and our collection history with each customer. A portion of this analysis is dependent on our ability to gather reliable information about our customers specific circumstances. As part or our analysis, we review significant invoices that are past due to determine if an allowance is necessary based on the risk category using the factors described above. Based on the circumstances, we place each customer into a risk category and assign reserve percentages between 5% and 100%. Our estimates of allowances for doubtful accounts have tracked well with our actual experience of customers who are unable to pay their invoices in full. However, uncollectible accounts that are not identified or properly assessed in our review could have a significant impact on our bad debt provision. In addition, if our customers financial condition or the economy in general deteriorates, we may need to increase these allowances for doubtful accounts. Our allowance for doubtful accounts has approximated our bad debt experience. Excluding all risk categories that are reserved at 100%, a 10% change in each one of our risk categories would cause our allowance for doubtful accounts as of December 31, 2003 and our bad debt expense for the year then ended to change by $0.1 million. Because we perform our analysis and establish reserves on a customer-by-customer basis, we generally do not record a general reserve. However, if we were to apply a general reserve of 1% to our unreserved accounts receivable balance, it would increase our allowance for doubtful accounts as of December 31, 2003 and our bad debt expense for the year then ended by approximately $0.4 million.

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Allowance for Credit Memos

We maintain a general reserve based on our historical credit memo activity. In addition, we establish credit memo reserves resulting from specific customer matters. This allowance is recorded as a direct reduction of accounts receivable and revenues. Since our allowances for credit memos are derived in large part from specific customer matters, our estimates have tracked well with our actual credit memo experience. If our billing errors or discrepancies are not resolved satisfactorily or our customers disputes over billing are not resolved satisfactorily, increases to the allowance would be required. Recently, we have resolved some of these customer matters more favorably than originally estimated but we can not provide any assurance this will continue. As of December 31, 2003, our allowance for credit memos totaled $6.6 million. If our allowance for credit memos, including identified specific customer matters, changed by 10%, our allowance for credit memos and revenues would change by approximately $0.7 million.

Impairment Losses on Long-Lived Assets

We review our long-lived assets, including property and equipment and intangibles with definite lives for impairment when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. We also evaluate the useful life of our assets each reporting period, and if deemed to be shorter than originally estimated, would result in an increase in our annual depreciation and/or amortization expense. Other than the decision to abandon our trademark, we have not had reason to adjust our estimated lives on these assets.

The impairment review consists of a comparison of the carrying value of the assets with the assets expected future undiscounted cash flows without interest costs. An impairment loss is recognized if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is deemed to not be recoverable if it exceeds the sum of its undiscounted cash flows. Estimates of expected future cash flows are management s best estimate based on reasonable and supportable assumptions and projections. If actual market conditions are less favorable than those projected by management, asset impairment charges may be required. Management continues to evaluate overall industry and company-specific circumstances and conditions to identify indicators of impairment. During 2003, the discontinuation of our prepaid wireless service resulted in the company recording an $2.7 million impairment charge for certain capitalized software, which thereafter had a carrying value of $0.0 million. As aforementioned, the impairment recorded was based on the discounted expected future cash flows for which these assets will provide future economic benefit.

Impairment Losses on Goodwill and Trademark

We evaluate goodwill and our nonamortizable intangible assets, such as trademarks, for impairment at least annually, or more frequently if indicators of impairment arise, in accordance with the provisions of Statement of Financial Accounting Standards No. 142 (SFAS 142), *Goodwill and Other Intangible Assets*. Our evaluation consisted of measuring the trademark by using a discounted cash flow model and comparing the fair value to the carrying value. An impairment loss would be recognized to the extent that the carrying amount exceeds the asset s fair value. Our evaluation of goodwill is measured by a two-step impairment test. The first step compares the fair value of our reporting unit, using a discounted cash flow model, with its carrying amount, including goodwill. If the carrying amount of our reporting unit exceeds its fair value, we then compare the implied fair value of the reporting unit s goodwill with the carrying amount of that goodwill. An impairment loss would be recognized to the extent that the carrying amount of the reporting unit s goodwill exceeds the implied fair value of that goodwill. Estimates of expected future cash flows represent management s best estimate based on reasonable and supportable assumptions and projections. If actual market conditions are less favorable than those projected by management, an impairment loss may be required to be recognized. In the fourth quarter of 2003, after consulting with and hiring a brand identity firm to develop a new name, we recognized an impairment loss of $51.0 million and defined the life of the trademark, which we determined would end during the first quarter of 2004, when the new name was expected to be introduced. The remaining intangible of $0.7 million will be amortized in the first quarter of 2004. Based on our most recent evaluation of goodwill, a 5% decrease in the

expected future annual cash flows as well as a two-percentage-point increase in the discount rate used would not have resulted in an impairment loss. Management will continue to evaluate overall industry and company-specific circumstances and conditions as necessary.

Restructuring

We have made estimates of the costs to be incurred as a part of our initial restructuring plan in February 2002 arising from our acquisition. These amounts were accrued as a part of our purchase accounting adjustments. We have also made estimates of the costs to be incurred as a part of our August 2002, February 2003, July 2003 and December 2003 restructurings. We will review these estimates until fully paid. If our original estimates of the costs of any particular restructuring costs change, we will need to adjust our reserve amounts which could change our operating income results. Historically, we have had few changes in estimates for these accruals, since we generally know the specifics at the time we adopt a restructuring plan. Given the low number of positions, the nature of the severance benefits and the period when the terminations and relocations are expected to occur, we feel that our estimate is less susceptible to risks that would require a material change in our accrual.

Loss Contingencies

We are involved in asserted and unasserted claims, which arise in the ordinary course of our business. We routinely evaluate whether a loss is probable, and if so, whether it can be estimated. Estimates are based on similar case law matters, consultation with subject matter experts and information obtained through negotiations with counter-parties. As such, accurately depicting the outcome of pending litigation requires considerable judgment and is subject to material differences on final settlement. Accruals for probable losses are recorded in accrued expenses, or as a part of our allowance for credit memos if the dispute relates to a customer matter. If our assessment of the probability is inaccurate, we may need to record additional accruals or reduce recorded accruals later. In addition, we may need to adjust our estimates of the probable loss amounts as further information is obtained or we consider settlements. Historically, we have had few changes in estimates for these accruals. The most significant claim against us is the SBC Communications, Inc., d/b/a SBC Ameritech, SBC Southwestern Bell and SBC Pacific Bell (collectively, SBC) claim in the amount of $7.2 million, which alleges that we overcharged SBC for services we provided to it. We deny these claims, believe that they are unfounded and intend to vigorously defend ourselves. We have accrued our estimate of loss, but there could be differences, which we are unable to estimate presently. In addition, protracted litigation would also cause us to incur legal fees, which we are unable to estimate presently.

Purchase Accounting

We have made estimates of the fair values of the assets acquired as of February 14, 2002 and the Softwright acquisition in December 2003, based primarily on appraisals from third parties and also based on certain internally generated information. If the subsequent actual and updated projections of the underlying business activity change as compared to the underlying assumptions and projections used to develop these fair values, then we could experience impairment losses, as described above. In addition, we have estimated the economic lives of certain of these assets and these lives were used to calculate depreciation and amortization expense. If our estimates of the economic lives change, then additional depreciation or amortization expense could be incurred on an annual basis. We have not made any changes in these areas. If the estimates of the economic lives on the definite-lived intangible assets acquired as of February 14, 2002 were reduced by one year, our annual amortization expense would increase by approximately $1.5 million.

Income Taxes

We review our deferred tax assets on a regular basis to evaluate their recoverability based on projections of the turnaround timing of our deferred tax liabilities, projections of future taxable income, and tax planning strategies that we might employ to utilize such assets, including net operating loss carryforwards. Unless it is

more likely than not that we will recover such assets through the above means, we establish a valuation allowance. The effective tax rate differs from the statutory tax rate due primarily to changes in the valuation allowance. Brience had incurred net operating losses since inception and hence was unable to recognize the benefit of these losses in its financial statements tax provision.

As a result of a review undertaken at December 31, 2003 and each quarter since then and based on the positive and negative evidence described in Financial Accounting Standards Board Statement No. 109, *Accounting for Income Taxes* (SFAS 109), we concluded that it was appropriate to establish a full valuation allowance for our net deferred tax assets excluding deferred tax liabilities related to goodwill. Deferred tax liabilities arising from goodwill were excluded from our consideration of the valuation allowance because goodwill is not amortized for book purposes. As a result, the timing of the turnaround of these deferred tax liabilities is not predictable in a manner that would allow us to offset the deferred tax assets. We have significant NOLs totaling approximately $113.4 million, many of which we succeeded to as a result of our merger with Brience. All of our NOLs, and those NOLs in particular, remain subject to examination and adjustment by the Internal Revenue Service. In addition, our ability to utilize the NOLs is limited to our ability to generate taxable income, various limitations of the separate return limitation year (SRLY) rules and may also be further limited by other business actions which we might take in the future, such as those which could trigger an ownership change. Since December 31, 2003, we have had substantial negative evidence which under SFAS 109 requires a full valuation allowance. If our profitability improves, we could conclude that the valuation allowance should be reduced and this would favorably impact our effective tax rate. The valuation allowance as of December 31, 2003 was $73 million. In the future, our evaluation of the need for the valuation allowance will be significantly influenced by our ability to achieve profitability and our ability to predict and achieve future projections of taxable income.

Stock-Based Compensation

We use the fair value of our company and of our common stock in determining whether we are required to recognize compensation expense as a result of any of our stock option grants.

We have historically determined the fair value of our company and the underlying value of the shares of our common stock based on internally-generated valuations which we prepared contemporaneously with our stock option grants. We used the income approach using the discounted cash flow methodology and we believe that our methodologies were comparable to those that a third party would use. Our board of directors established the exercise price of all options issued under our stock option plans significantly above the fair value that the board of directors determined for the underlying common stock using the discounted cash flow methodology. For these reasons, we have not obtained contemporaneous externally-prepared valuations by a third-party valuation specialist.

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value of Our Common Stock

For the year ended December 31, 2003, our revenues and EBITDA were $268.3 million and $104.5 million, respectively, excluding the pre-acquisition results of Brience, restructuring charges and impairment losses on intangible assets. This represented a 19% annual decline in revenues and a 16% annual decline in EBITDA from the year ended December 31, 2002. Our company s declining performance was the result of a number of factors, including declines in revenues from several key customers including Verizon Wireless, competitive pricing pressures and the continued decline in revenues from our Call Processing Services. Furthermore, WLNP had only recently been implemented in November 2003 and consumer adoption rates for this service were still uncertain. At the end of 2003, the wireless telecommunications industry also continued to suffer from financial difficulties, which curtailed demand for our new service offerings, increased pricing pressure on us and reduced our customers growth expectations. In addition, at the end of 2003, there was weak public market demand for wireless telecommunications services companies.

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Recent Accounting Pronouncements

In January 2003, the FASB issued FASB Interpretation No. 46 *Consolidation of Variable Interest Entities.* This interpretation of Accounting Research Bulletin No. 51*, Consolidated Financial Statements* addresses consolidation by business enterprises of variable interest entities. Under current practice, two enterprises generally have been included in consolidated financial statements because one enterprise controls the other through voting interests. This interpretation defines the concept of variable interests and requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse the risks among the parties involved. This interpretation applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. Nonpublic entities with an interest in an entity that is subject to this Interpretation and that is created after December 31, 2003, shall apply this Interpretation to that entity immediately. Nonpublic enterprises shall apply this Interpretation to all entities that are subject to this Interpretation by the beginning of the first annual period beginning after December 15, 2004. If it is reasonably possible that an enterprise will consolidate or disclose information about a variable interest entity when this interpretation becomes effective, the enterprise shall disclose information about those entities in all financial statements issued after January 31, 2003. The interpretation may be applied prospectively with a cumulative-effect adjustment as of the date on which it is first applied or by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated. We do not believe that FIN 46 has any impact on our financial statements currently. However, if we enter into certain types of transactions in the future, including special purpose entities, then consolidation of that entity with us might be required.

In April 2003, the FASB issued Statement No. 149, *Accounting for Amendment of Statement 133 on Derivative Instruments and Hedging Activities,* or SFAS 149. The Statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement 133. This Statement was effective for contracts entered into or modified after June 30, 2003. The adoption of this statement has not had a material impact on our financial statements.

In May 2003, the FASB issued Statement No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity,* or SFAS 150. This statement establishes standards for how an issuer classifies and measures financial instruments with characteristics of both liabilities and equity. This Statement is effective for financial instruments entered into or modified after May 31, 2003. The adoption of this statement has not had a material impact on our financial statements.

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Contractual Obligations and Commitments

As of December 31, 2003, our contractual obligations consist only of our debt and operating leases. We do not have a pension plan or other long-term employee benefit plan. In addition, the terms of our preferred units require a 10% annual dividend, however there is no fixed payment date, and none of these dividends have been declared. As of December 31, 2003, our undeclared and unpaid dividends total $51.6 million. Our contracts with certain of our technology service providers, which range in length from 12 months to 60 months, have no minimum payment requirements.

Contractual Obligations	Total	Less Than 1 Year	2 to 3 Years	4 to 5 Years	More Than 5 Years
Long-term debt obligations including interest(1)	$ 656,945	$ 78,098	$ 255,662	$ 62,566	$ 260,619
Operating lease obligations	18,748	5,722	10,196	2,568	262
Purchase obligations(2)	3,000	500	1,000	1,000	500
Total	$ 678,693	$ 84,320	$ 266,858	$ 66,134	$ 261,381

(1) The interest rate on Term Note B is at LIBOR plus 3.5%, with LIBOR increasing from 1.1% in 2004 to 3.3% in 2006.
(2) Amounts due under professional services agreement with GTCR. For further information, please refer to Item 13. Certain Relationships and Related Transactions.

Forward-Looking Statements

We have made forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 in this report. The words believes, anticipates, plans, expects, intends, estimates and similar expressions are intended to ident forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which 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.

Below are risks that may have a material impact 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.

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.

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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.

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 could be adversely affected by environmental and safety requirements.

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

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

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

Our historical financial information may have limited relevance.

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

All forward-looking statements in this report are based on information available to us on the date of this report. 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 report.

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ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Market Risk

We are exposed to changes in interest rates on our senior credit facility. Our senior credit facility is variable rate debt. Interest rate changes therefore generally do not affect the market value of such debt but do impact the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. As of December 31, 2003, we had variable rate debt of approximately $216.3 million ($208.3 million net of discount). Holding other variables constant, including levels of indebtedness, a one percentage point increase in interest rates on our variable debt would have had an estimated impact on pre-tax earnings and cash flows for the next year of approximately $2.2 million. Under the terms of the senior credit facility at least 45% of our funded debt must bear interest that is effectively fixed. As a result, we may from time to time be required to enter into interest rate protection agreements establishing a fixed maximum interest rate with respect to a portion of our total indebtedness.

In March 2003, we entered into an interest rate protection agreement that effectively caps the LIBOR exposure of $100 million of our senior credit facility at 3.0% for a period of two years. As a result of this interest rate protection agreement, approximately 75% of funded debt now bears interest that is effectively fixed as to rate.

Foreign Currency Market Risk

We are exposed to foreign currency risk in certain circumstances. Prior to our opening of the office in the Netherlands in February 2003 and the acquisition of Softwright in late December 2003, we conducted all of our business in US dollars. These two items had an immaterial impact on our 2003 financial position and results of operations, however this could change in future periods. At this time, we have not entered into any arrangements to hedge our risks from foreign currency.

In addition, many of our customers are based outside of the United States. In 2003, certain countries (primarily Venezuela) experienced instability causing these customers to have difficulty in exchanging their local currencies for U.S. dollars to satisfy their invoices due to us. As a result, we may be required to explore other techniques to protect against such issues in the future.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements required by this item are set forth as a separate section of this Annual Report on Form 10-K. See page 62 for a listing of financial statements provided in the section titled Financial Statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including the CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in rule 13a-15(e) under the Securities and Exchange Act of 1934, as required by rule 13a-15(b). Based on that evaluation, our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

Our executive officers and directors are as follows:

Name	Age	Position
G. Edward Evans	43	Chief Executive Officer, Director
Raymond L. Lawless	48	Chief Financial Officer, Director
F. Terry Kremian	56	Chief Operating Officer
Paul A. Wilcock	56	Chief Technology Officer
Michael J. O Brien	38	Vice President Marketing
Wayne Nelson	42	Vice President Controller
Gilbert L. Mosher	56	Vice President Operations/Customer Support
Robert F. Garcia, Jr.	42	General Counsel
Charles A. Drexler	48	Vice President Sales
Linda Hermansen	38	Vice President Business Development & Strategy
Eugene Bergen Henegouwen	44	Managing Director European Operations
Paul Corrao	49	Vice President Network Operations
David A. Donnini	38	Director
Collin E. Roche	33	Director
Odie C. Donald	54	Director
Tony G. Holcombe	48	Director
Robert J. Marino	56	Director

G. Edward Evans became our Chief Executive Officer and Director in February 2002. From January 1997 until January 2002, Mr. Evans was employed by Dobson Communications Corporation, serving as the President of its cellular subsidiaries and then as the President and Chief Operating Officer of Dobson Communications Corporation itself. Mr. Evans was employed by BellSouth Mobility, Inc. from 1993 to 1996, serving as General Manager Kentucky, Director of Field Operations at BellSouth s corporate office in Atlanta and Director of Marketing Alabama. He was an Area Manager and a Market Manager of U.S. Cellular from 1990 to 1993 and was Sales Manager of GTE Mobilnet from 1989 to 1990. Mr. Evans serves on the boards of the CTIA and Carolina West Wireless. He holds an MBA from Georgia State University.

Raymond L. Lawless became our Chief Financial Officer in February 2002 and a Director as of March 2003. From October 2001 to February 2002, Mr. Lawless provided financial consulting services to telecommunication companies. Mr. Lawless worked for Intermedia Communications Inc. from April 1997 to September 2001 serving as Vice President Finance and Treasurer. During his tenure at Intermedia, Mr. Lawless was responsible for capital formation, treasury operations, risk management, corporate development, forecasting, strategic planning, budgeting, management reporting and investor relations support. Prior to that, Mr. Lawless spent 18 years at Bell Atlantic Corporation in various finance positions. Mr. Lawless holds a BS in Business Administration from West Chester University and an MBA from the University of Arkansas.

F. Terry Kremian became our Chief Operating Officer in December 2003. Mr. Kremian most recently served as executive vice president and general manager, Telecommunication Services Group for VeriSign, a position he held since VeriSign s acquisition of Illuminet Holdings in December 2001. From September 1998 to December 2001, Mr. Kremian served as president, executive vice president and Chief Operating Officer of Illuminet Holdings. Prior to that, he was vice president marketing and sales from November 1997. Mr. Kremian joined Illuminet

Holdings from MCI where he was employed since 1982, most recently as director of carrier sales. Mr. Kremian holds a B.S. degree from the U.S. Naval Academy and a J.D. degree from the University of Maryland School of Law.

Paul A. Wilcock has served as Chief Technology Officer since March 2004. From September 2002 to March 2004 he served as Vice President Technology. Prior to that he served as Vice President Business Development and Strategy from August 2001 to September 2002. Having joined us in 1992, Mr. Wilcock previously served as Assistant Vice President Business Development and Strategy, Assistant Vice President Marketing, Director Product Development and Support Services and Director Enterprise Technology. Mr. Wilcock began his GTE career in 1975 and has held numerous positions of increasing responsibility in engineering, operations, marketing and strategy development. Mr. Wilcock graduated in Telecommunications from Leeds College of Engineering and Science (England) and holds an MBA from Wake Forest University.

Michael J. O Brien has served as Vice President Marketing since January 2003. Prior to that, he served as Vice President Marketing/Business Development from September 2002 to January 2003 and Vice President Marketing from August 2001 to September 2002. Previously he served as Assistant Vice President Marketing from November of 2000 to August 2001 and Marketing Director North American Wireless from June of 1999 to November of 2000. From January of 1999 to June of that same year, Mr. O Brien worked as an independent consultant. From August of 1997 to January of 1999, Mr. O Brien held the position of Director of Operations at GE LogistiCom, a satellite communications business. Prior to his employment with GE LogistiCom, Mr. O Brien served as a Product Manager with us from March of 1996 to August of 1997. He has over 10 years experience with us in various marketing and operations positions. Mr. O Brien holds a BS in Computer Science from the University of Virginia.

Wayne Nelson has served as Vice President Controller since August 2002. From September 2000 to August 2002 Mr. Nelson served as Director Finance and previously he served as Director Customer Support. Mr. Nelson began his GTE career as a Finance Associate in 1987. He has over 12 years experience with us in various marketing, operations and finance positions. Mr. Nelson holds a BA in Economics from the University of Rochester and an MBA in Finance/Statistics from Rutgers University.

Gilbert L. Mosher has served as Vice President Operations/Customer Support since August 2001 and previously served as Assistant Vice President Information Technology, responsible for overseeing our software development. Prior to that, Mr. Mosher held various positions with increasing responsibility in the technical and management areas beginning with a position as a Programmer Analyst with GTE in 1979. Mr. Mosher joined us in January 1996 as Assistant Vice President Information Technology. He earned a BS in Professional Management from Nova Southeastern University and was elected as a member of Alpha Chi, National College Honor Scholarship Society. He also holds an MBA from Nova Southeastern University.

Robert F. Garcia, Jr. became our General Counsel in February 2002. Prior to being appointed to General Counsel, he served as Associate General Counsel since September 2000. Mr. Garcia joined us in 1995 as in-house legal counsel. Prior to that, he was in private practice in Washington, D.C. Mr. Garcia received his law degree from the National Law Center, George Washington University and has a BA in Political Science from the University of South Florida.

Charles A. Drexler became our Vice President Sales in June 2002. Prior to joining us, Mr. Drexler served as director-project development for MetroPCS from March 2002 to June 2002. Mr. Drexler provided consulting services to telecommunications companies from August 2001 to March of 2002. From 1989 to July 2001, Mr. Drexler held positions of increasing responsibility at Lucent/AT&T. During his tenure at Lucent/AT&T he was responsible for managing and developing domestic and international sales territories. Mr. Drexler holds BA in education from the University of Texas-El Paso.

Linda Hermansen became our Vice President Business Development and Strategy in January 2003. From November 1997 to January 2003, she served as Director Marketing and Business Development. Ms. Hermansen began her GTE career in 1989 with the GTE Telephone Operations finance department where she held various positions of increasing responsibility within business analysis. Ms. Hermansen holds a bachelor of science degree in economics from the University of Illinois and an MBA from Butler University.

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Eugene Bergen Henegouwen became our Managing Director European Operations in May 2003. Mr. Bergen Henegouwen, a Dutch native, has held a variety of high tech executive level positions in the United States and The Netherlands. Prior to joining us, he was CEO and Chairman of Invention Machine Corporation from January 2001 to November 2002. From January 1999 to December 2000 he was CEO and president of AVIO Digital Inc. and from April 1995 to December 1998 he was CEO of Philips Creative Display Solutions in The Netherlands. Mr. Bergen Henegouwen has also held senior level management positions with Philips Consumer Electronics, Business Electronics, Monitors and Philips Telecommunications and Data Systems. He holds a master of science degree and a bachelor of science degree in electrical engineering from Delft University of Technology in The Netherlands.

Paul Corrao became our Vice President Network Operations in July 2003. He has held several senior level customer care and operations positions throughout his 29-year career. From February 2002 to July 2003 he was Vice President Operations for EPIX and from August 1999 to October 2001 he was Vice President Service Delivery for Intermedia Communications. Mr. Corrao spent 26 years with AT&T where he managed such areas as switching quality control, VTNS operations, 800 and business application services, ISDN installations and customer care. He also worked with Bell Atlantic s Global Network division. He holds a master of science degree from the Stevens Institute of Technology and a BA in computer science from the City University of New York (CUNY).

David A. Donnini has served as a Director since February 2002. Mr. Donnini is currently a Senior Principal of GTCR Golder Rauner, LLC, which he joined in 1991. Prior to joining GTCR, he earned a BA in economics summa cum laude from Yale University and an MBA from Stanford University where he was an Arjay Miller Scholar and the Robichek Finance Award winner. He also worked as an associate consultant with Bain & Company. . Mr. Donnini s directorships include American Sanitary, Inc., Cardinal Logistics Management, InfoHighway Communications Corporation, InteCap, Coinmach, Synagro Technologies, Keystone Group Holdings, Fairmount Food Group, LLC and Polypore Inc.

Collin E. Roche has served as a Director since February 2002. Mr. Roche is a Principal of GTCR Golder Rauner, LLC, which he joined in 1996. Previously, Mr. Roche worked as an investment banking analyst at Goldman, Sachs & Co. and as an associate at Everen Securities. He received a BA in Political Economy from Williams College. He also holds an MBA from Harvard Business School. Mr. Roche serves on the board of directors of Transaction Network Services, InfoHighway Communications Corporation, TransFirst Holdings, Skylight Financial and Verifone.

Odie C. Donald has served as a Director since August 2002. Mr. Donald was a consultant to DIRECTV, Inc., a direct broadcast satellite television service and a unit of Hughes Electronics Corporation, from July 2001 to December 2002. From April 2000 to July 2001, Mr. Donald was President of DIRECTV. From March 1999 to April 2000 he was Chief Executive Officer of Cable & Wireless Caribbean and Atlantic Islands Plc. Prior to that, Mr. Donald spent 25 years with BellSouth Corporation, where he held various positions, including Group President Customer Operations from 1998 to 1999 and President of Bellsouth Mobility from 1992 to 1998. Mr. Donald serves on the board of directors of Darden Restaurants Inc.

Tony G. Holcombe has served as a Director since March 2003. Mr. Holcombe is currently President of Web MD Envoy, which he joined in December 2003. From September 2002 to December 2003 Mr. Holcombe was chief executive officer of Valutec Card Solutions. From May 1997 to September 2002, Mr. Holcombe served in various executive positions at Ceridian Corporation and its subsidiaries. From November 1999 to September 2002, Mr. Holcombe served as Executive Vice President of Ceridian Corporation. In addition, Mr. Holcombe held the following positions at subsidiaries of Ceridian Corporation including President of Ceridian Employer Employee Services from November 1999 to September 2002 and President of Comdata from May 1997 to November 1999. Prior to this, Mr. Holcombe was President and Chief Executive Officer of National Processing, Inc., which provides transaction-processing services and customized processing solutions, from October 1994 to March 1997. Mr. Holcombe serves on the board of directors of TALX Corporation.

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Robert J. Marino has served as a Director since February 2004. From August 1998 to February 2003 Mr. Marino served as Group President of Convergys Information Management Group, at which time he retired. Convergys Corporation was formed by spinning off Cincinnati Bell Information Systems Inc. (CBIS) and MATRIXX Marketing Inc. from Cincinnati Bell Inc. Prior to this, Mr. Marino served as president and chief executive officer of CBIS from October 1996 to August 1998 and chief operating officer of CBIS from November 1995 to October 1996. Prior to joining CBIS Mr. Marino served as president of the northeast region at Nextel Communications from November 1993 to October 1995. Mr. Marino also held senior management positions at Houston Cellular Telephone Company, Compania de Radiocomunicaciones Moviles in Argentina and Sprint Corporation.

Except as described herein, there are no arrangements or understandings between any member of the management committee or executive officer and any other person pursuant to which that person was elected or appointed to his position. There are no family relationships between our executive officers or directors.

Our Board of Directors has the power to appoint officers. Each officer will hold office for the term determined by our Board of Directors and until such person s successor is chosen and qualified or until such person s death, resignation or removal.

Board Committees

During 2003, we had two active Board committees, the compensation committee and audit committee. The compensation committee administers our benefit plans and makes recommendations concerning compensation of our employees. The compensation committee consists of Mssrs. Evans, Donnini and Roche. The audit committee reviews and reports to the Board with respect to various auditing and accounting matters, including the recommendation to the Board as to the selection of the independent auditors, the scope of the annual audit procedures, general accounting policy matters and the performance of the independent auditors. During 2003, the audit committee was comprised of Messrs. Roche, Donald, and Holcombe, of which Messrs. Donald and Holcombe are independent as determined by the NASDAQ National Market rules and regulations, and is subject to an audit committee charter.

We currently do not have a designated financial expert on our audit committee, but we plan to designate a financial expert in the future.

The Board may create additional committees in the future.

Code of Ethics

We have adopted a Code of Ethics that applies to all of our directors, officers and employees. Our Code of Ethics is included as Exhibit 14.1 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Compensation of Directors

Non-employee and non-equity investor directors receive $2,500 in fees per board meeting. Beginning January 1, 2004, non -employee and non-equity investor directors will receive $15,000 annual compensation for board participation. Under the Syniverse Holdings, Inc. Non-Employee Directors Stock Option Plan, non-employee directors of Syniverse Inc. who do not otherwise have an equity interest in Syniverse LLC are entitled to receive options to purchase 50,000 shares of Syniverse Inc. s non-voting common stock upon joining Syniverse Inc. s board of directors. See Non-Employee Directors Stock Option Plan. Three of our directors**,** Mr. Donald, Mr. Holcombe and Mr. Marino, currently are eligible to receive options under this plan. Options to purchase 50,000 shares of Syniverse, Inc. s non-voting common stock pursuant to this plan were granted to Mr. Donald in 2002, Mr. Holcombe in 2003 and Mr. Marino in 2004. All of our directors are reimbursed for out-of-pocket expenses related to their service as directors.

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Summary Compensation Table

The following table summarizes compensation awarded or paid by us during 2003, 2002, and 2001 to our Chief Executive Officer and our four next highly compensated executive officers (our named executive officers).

		Annual Compensation		
Name and Principal Position	**Year**	**Salary**	**Bonus**	**All Other Compensation**
G. Edward Evans (1) Chief Executive Officer	2003 2002 2001	$ 401,950 342,026	$ 175,000 100,000	$ 191,427 10,550
Raymond L. Lawless (2) Chief Financial Officer	2003 2002 2001	226,950 192,603	122,854 56,700	10,797 9,896
Paul A. Wilcock Chief Technology Officer	2003 2002 2001	177,800 176,400 169,046	91,526 44,800 264,750(3)	9,550 9,480 8,267
Linda Hermansen Vice President Business Development & Strategy	2003 2002 2001	149,985 137,285 130,773	118,745 16,500 99,675(4)	7,984 7,364 5,944
Eugene Bergen Henegouwen (5) Managing Director European Operations	2003 2002 2001	173,888	67,168	13,295

(1) Mr. Evans began his employment with Syniverse on February 14, 2002.
(2) Mr. Lawless began his employment with Syniverse on February 14, 2002.
(3) Mr. Wilcock s 2001 bonus is comprised of an incentive bonus of $52,000 and a retention bonus of $212,750.
(4) Ms. Hermansen s 2001 bonus is comprised of an incentive bonus of $33,225 and a retention bonus of $66,450.
(5) Mr. Henegouwen began his employment with Syniverse on May 14, 2003.

The following table identifies and quantifies the individual amounts included in of All Other Compensation for each person listed:

Name and Principal Position	**Year**	**Parking Reimb**	**401K Employer Match/ Pension**	**Relocation**	**Car Allowance**
G. Edward Evans	2003 2002	$ 660 550	$ 10,692 10,000	$ 180,075	$

Chief Executive Officer	2001				
Raymond L. Lawless	2003	660	10,137		
	2002	550	9,346		
Chief Financial Officer	2001				
Paul A. Wilcock	2003	660	8,890		
	2002	660	8,820		
Chief Technology Officer	2001	660	7,607		
Linda Hermansen	2003	660	7,324		
	2002	660	6,704		
Vice President Business Development & Strategy	2001	660	5,284		
Eugene Bergen Henegouwen	2003		(1)		13,295
	2002				
Managing Director European Operations	2001				

(1) Syniverse contribution for 2003 for Mr. Henegouwen has not been calculated.

Option Grants in Last Fiscal Year

None of our named executive officers were granted options in our last fiscal year under Syniverse Inc. s Founders Stock Option Plan or Non-Employee Directors Stock Option Plan.

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

Our named executive officers did not exercise any options during the last fiscal year and did not hold any unexercised options as of December 31, 2003.

Compensation Committee Interlocks and Insider Participation

The compensation arrangements for our chief executive officer and each of our other executive officers are established pursuant to the terms of the respective employment agreements between Syniverse Inc. and each executive officer. The terms of the employment agreements were established pursuant to arms-length negotiations between representatives of our largest stockholder and each executive officer in connection with our acquisition from Verizon. While Mr. Evans is on our compensation committee, he does not participate in setting his own compensation.

Employment Agreements

In his senior management agreement, Mr. Evans agrees to serve as our chief executive officer until he resigns or until we terminate his employment. While employed by us, Mr. Evans receives an annual base salary of $400,000, subject to increase by our board of directors. For each fiscal year of employment, Mr. Evans will be eligible for an annual bonus of up to 50% of his annual base salary and will be entitled to any other benefits approved by our board of directors. During Mr. Evans employment, Evans Motor Sports LLC, an entity owned by Mr. Evans, is entitled to use an aircraft leased by us. Mr. Evans or Evans Motor Sports LLC pays that percentage of the monthly lease and other fixed costs for such aircraft based on Mr. Evans actual use of the aircraft on behalf of or in furtherance of business for Evans Motor Sports LLC, and reimburses us for all operating costs of the aircraft in connection with such use. Commencing in 2004, Mr. Evans or Evans Motor Sports LLC shall make such payments on a quarterly basis within the thirty (30) days immediately following the end of such quarter.

Mr. Evans employment will continue until (i) he resigns without good reason, disability or death, (ii) our board of directors decides to terminate his employment with cause, (iii) our board of directors decides to terminate his employment without cause, or (iv) he terminates his employment for good reason. If his employment is terminated by us without cause or by Mr. Evans for good reason, then we will be obligated to pay Mr. Evans one-twelfth of his annual base salary per month for a six-month period commencing on the date of termination. Mr. Evans may then elect to receive these same severance payments for up to three additional six-month periods. However, any severance payments made to Mr. Evans will be reduced by the amount of any cash compensation he earns or receives with respect to any other employment during the period in which he is receiving severance.

Mr. Evans agrees to limitations on his ability to disclose any of our confidential information, and acknowledges that all inventions relating to his employment belong to us. Mr. Evans also agrees not to compete with us anywhere in the world or to solicit our employees for either the period during which he receives severance (if he is terminated without cause or if he resigns for good reason) or for two years after his termination (if he resigns without good reason or if we terminate his employment for cause).

Other members of our senior management team also entered into senior management agreements pursuant to which they agreed to be employed by us under terms generally no less favorable to us than Mr. Evans terms.

Consulting Agreement

In February 2002, Michael Hartman entered into a Consulting Agreement with us pursuant to which Mr. Hartman agreed to provide consulting services to us and retain the title of President for a period of one year until February 14, 2003. Mr. Hartman received consulting payments totaling $215,500 in two installments in January and February of 2003, but was not entitled to any fringe benefits from us.

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Mr. Hartman agreed to limitations on his ability to disclose any of our confidential information, and acknowledged that all inventions relating to his service to us belong to us. Mr. Hartman also agreed not to compete with us anywhere in the world or to solicit our employees for a period of one year following the closing of the acquisition.

Management Equity Arrangements

We have a senior management agreement with G. Edward Evans pursuant to which he:

- acquired a strip of 1,979.35 Class B Preferred Units and 620,031.79 Common Units, which are referred to as Co-Invest Units, at a price of $1,000 per Class B Preferred Unit and $.0333 per Common Unit, which are the same prices as other equity investors paid;

- acquired 5,855,855.86 additional Common Units which were available only for issuance to management investors and which are referred to as Carried Units, at a price of $.0333 per Carried Unit, which is the same price other equity investors paid for Common Units; and

- committed to acquire up to approximately $196,000 of additional equity securities of Syniverse LLC under certain circumstances at the same price as other equity investors participating in any such purchase.

GTCR Fund VII, L.P. loaned Mr. Evans approximately $1,000,000 to fund a portion of the purchase price for his purchase of Co-Invest Units and Carried Units. This loan bears interest at a rate of 10.0% per annum.

Other members of our senior management team, including Messrs. Lawless, Kremian, Wilcock, O Brien, Nelson, Garcia, Drexler, Mosher, Bergen Henegouwen, Corrao and Ms. Hermansen, also entered into senior management agreements pursuant to which they acquired an aggregate of 5,405,405.41 Carried Units at the same price as Mr. Evans. As a result of these purchases, 13% of our common equity is held by, or reserved for issuance to, our senior management team. See Certain Agreements and Related Transactions Senior Management Agreements.

Founders Stock Option Plan

Syniverse Inc. adopted the Syniverse Holdings, Inc. Founders Stock Option Plan (the Founders Option Plan) on May 16, 2002. Non-employee directors, executives and other key employees of Syniverse Inc. or its subsidiaries are eligible for grants of stock options under the plan. The purpose of the stock option plan is to provide those persons who have a substantial responsibility for the management and growth of Syniverse Inc. and its subsidiaries with additional incentives by allowing them to acquire an ownership interest in Syniverse Inc.

A total of 1,000,000 shares of Syniverse Inc. non-voting common stock, representing approximately 1.0% of Syniverse Inc. s currently outstanding common stock on a fully-diluted basis, are available for issuance under the Founders Option Plan, subject to adjustment in the event of a reorganization, recapitalization, stock dividend, stock split, merger or similar change in the outstanding shares of common stock. These shares may be, in whole or in part, authorized and unissued or held as treasury shares.

The compensation committee of Syniverse Inc. s board of directors administers the Founders Option Plan. Grants will be awarded under the Founders Option Plan entirely at the discretion of the compensation committee. As a result, Syniverse Inc. is unable to determine at this time the recipients, amounts and values of future benefits to be received under the Founders Option Plan. As of December 31, 2003, there were options to purchase 293,750 shares of Syniverse Inc. s non-voting common stock granted and outstanding under this plan and 706,250 shares remained available for future grants under the plan. None of our named executive officers have been granted options under the Founders Option Plan.

Eligibility

Non-employee directors, executives and key employees of Syniverse Inc. and its subsidiaries who do not have an equity interest in Syniverse LLC will be eligible to receive grants under the Founders Option Plan. However, only employees may receive grants of incentive stock options. In each case, the compensation committee will select the actual grantees.

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Stock Options

Under the Founders Option Plan, stock options granted will be presumed to be nonqualified stock options and are not intended to be incentive stock options within the meaning of Section 422A of the Internal Revenue Code unless clearly indicated by the compensation committee in the underlying stock option agreement, in which case such stock options will be consistent with and contain all provisions required under Section 422 of the Internal Revenue Code.

The compensation committee will determine the exercise price of any stock option at its discretion subject to prohibition by applicable securities laws. The exercise price of any stock option may be paid in any of the following ways:

- in cash;
- by delivery of a promissory note, in the discretion of the compensation committee;
- if there is a public market for the common stock, by delivery of outstanding shares of common stock that have been owned by the grantee for a minimum of six months and one day with a fair market value on the date of exercise equal to the exercise price payable with respect to the stock options exercise;
- if there is a public market for the common stock, through a same day sale commitment from a grantee and a broker-dealer that is a member of the National Association of Securities Dealers, Inc. (a NASD Dealer) reasonably acceptable to the compensation committee, in which the grantee irrevocably elects to exercise the stock option and sell a portion of the common stock so purchased to pay for the exercise price and in which the NASD Dealer irrevocably commits upon receipt of such common stock to forward the exercise price directly to Syniverse Inc.;
- if there is a public market for the common stock, through a margin commitment from a grantee and a NASD Dealer in which the grantee irrevocably elects to exercise the stock option and to pledge the common stock so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the exercise price, and in which the NASD Dealer irrevocably commits upon receipt of the common stock to forward the exercise price to Syniverse Inc.; or
- any combination of the foregoing.

The compensation committee will determine the term of each stock option in its discretion. However, no term may exceed ten years from the date of grant or, in the case of an incentive stock option granted to a person who owns stock constituting more than 10% of the voting power of all classes of stock of Syniverse Inc. or any of its subsidiaries, five years from the date of grant. In addition, all stock options awarded under the Founders Option Plan, whether or not then exercisable, generally cease vesting when a grantee ceases to be a non-employee director, executive or employee of, or to otherwise perform services for, Syniverse Inc. or its subsidiaries.

There are, however, exceptions for stock options vested and exercisable on the date of termination depending upon the circumstances of cessation. In the case of a grantee s death or disability, such stock options will expire 180 days after the date of the grantee s death or long-term disability. In the event of retirement approved by the board of directors of Syniverse Inc., the grantee s stock options will expire 90 days after the date of the grantee s retirement. In addition, if a grantee is discharged other than for good cause, the grantee s stock options will expire 90 days after the date of the grantee s discharge.

Vesting, Withholding Taxes and Transferability of Stock Options

The terms and conditions of each award made under the Founders Option Plan, including vesting requirements, will be set forth, consistent with the plan, in a written agreement with the grantee.

The grantees under the Founders Option Plan are liable for any withholding taxes required to be withheld upon exercise of the grantee s stock options. Syniverse Inc. is entitled under the Founders Option Plan to

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withhold from any grantee the amount of any withholding or other tax due from Syniverse Inc. with respect to any common stock issuable under the stock options, and Syniverse Inc. may defer the exercise of the stock options or the issuance of the common stock following exercise unless indemnified to its satisfaction.

No award made under the Founders Option Plan will be transferable other than by will or the laws of descent and distribution, and each award may be exercised only by the grantee or his or her legal guardian or legal representative.

Amendment, Suspension and Termination of Founders Option Plan

The board of directors of Syniverse Inc. or the compensation committee may suspend or terminate the Founders Option Plan or any portion of the plan at any time and may amend it from time to time in such respects as the board of directors or the compensation committee may deem advisable, except that no amendment will become effective without prior approval of Syniverse Inc. s shareholders if such approval is necessary for continued compliance with laws, agreements, or stock exchange listing requirements. Furthermore, any termination may not impair the rights of participants under outstanding stock options without the affected participant s consent. No stock options will be granted under the Founders Option Plan after five years from the date the stock option plan is adopted or the date the stock option plan is approved by Syniverse Inc. s shareholders, whichever is earlier.

Non-Employee Directors Stock Option Plan

The board of directors of Syniverse Inc. adopted the Syniverse Holdings, Inc. Non-Employee Directors Stock Option Plan (the Non-Employee Directors Plan) on August 2, 2002. The purpose of the Non-Employee Directors Plan is to provide inducement to obtain and retain the services of qualified persons as members of Syniverse Inc. s board of directors and to align more closely the interests of such persons with the interests of Syniverse Inc. s stockholders.

A total of 300,000 shares of Syniverse Inc. non-voting common stock, representing approximately 0.3% of Syniverse Inc. s currently outstanding common stock on a fully-diluted basis, are available for issuance under the Non-Employee Directors Plan, subject to adjustment in the event of a reorganization, recapitalization, stock dividend, stock split, combination or other reclassification in the outstanding shares of common stock. These shares may be, in whole or in part, authorized and unissued or held as treasury shares. As of December 31, 2003, options to purchase 100,000 shares were issued and outstanding under this plan.

Syniverse Inc. s compensation committee administers the Non-Employee Directors Plan. Each eligible participant under the Non-Employee Directors Plan will be granted options to purchase 50,000 shares of common stock of Syniverse Inc. on the later to occur of (i) the election of such participant as a director of Syniverse Inc. or (ii) the establishment of the Non-Employee Directors Plan.

Eligibility

Non-employee directors of Syniverse Inc. who do not have an equity interest in Syniverse LLC will be eligible to receive grants under the Non-Employee Directors Plan.

Stock Options

Stock options granted under the Non-Employee Directors Plan will be nonqualified stock options.

The exercise price per share of common stock will be 100% of the fair market value of a share of common stock of Syniverse Inc. on the date of grant, taking into account for so long as the shares of Syniverse Inc. are not listed on the Nasdaq National Market all relevant factors determinative of value as solely determined by the compensation committee and subject to adjustment in the event of a reorganization, recapitalization, stock dividend, stock split, combination or other reclassification affecting the shares of common stock of Syniverse Inc.

Any option granted under the Non-Employee Directors Plan will be exercisable only during the grantee s term as a director of Syniverse Inc., except that an option may be exercisable by a holder for a period of 180 days after such grantee fails to be re-elected as a director of Syniverse Inc. and an option may be exercisable for up to one year after the death of a grantee while a director of Syniverse Inc., except that such option will be exercisable only to the extent that the grantee was entitled to exercise on the date of such grantee s death or failure to be re-elected and only to the extent that the option would not have expired had the grantee continued to be a director of Syniverse Inc.

In the event of a change in control of Syniverse Inc. other than as a result of an initial public offering, the options granted under the Non-Employee Directors Plan will immediately vest and become exercisable and such options will terminate if not exercised as of the date of the change in control or other prescribed period of time. Further, in the event of the liquidation or dissolution of Syniverse Inc., the options will terminate immediately prior to the liquidation or dissolution.

Subject to prohibition by applicable securities laws, the exercise price of any stock option may be paid in any of the following ways:

- in cash;
- by delivery of a promissory note, in the discretion of the designated committee;
- by delivery of outstanding shares of common stock that have been owned by the grantee for a minimum of six months and one day with a fair market value on the date of exercise equal to the exercise price payable with respect to the stock option s exercise;
- if there is a public market for the common stock, through a same day sale commitment from a grantee and an NASD reasonably acceptable to the designated committee, in which the grantee irrevocably elects to exercise the stock option and sell a portion of the common stock so purchased to pay for the exercise price and in which the NASD Dealer irrevocably commits upon receipt of such common stock to forward the exercise price directly to Syniverse Inc.;
- if there is a public market for the common stock, through a margin commitment from a grantee and a NASD Dealer in which the grantee irrevocably elects to exercise the stock option and to pledge the common stock so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the exercise price, and in which the NASD Dealer irrevocably commits upon receipt of the common stock to forward the exercise price to Syniverse Inc.; or
- any combination of the foregoing, except that the designated committee may require that the exercise price be paid in cash.

The compensation committee will determine the term of each stock option in its discretion. However, no term may exceed ten years from the date of grant. The compensation committee will determine the date or the conditions on which each option will become exercisable and may provide that an option will become exercisable in installments. Each grantee will consult with Syniverse Inc. s compliance office to confirm that no blackout period with respect to Syniverse Inc. s shares of common stock is then in effect. The shares of common stock constituting each installment may be purchased in whole or in part at any time after such installment becomes exercisable, subject to such minimum exercise requirements as may be imposed by the compensation committee. Unless otherwise provided under the Non-Employee Directors Plan or in the terms of the underlying stock option grant, a grantee may exercise an option only if such grantee has been a director of Syniverse Inc. or a subsidiary of Syniverse Inc. continuously since the date the option was granted.

Withholding Taxes and Transferability of Stock Options

Syniverse Inc. is entitled under the Non-Employee Directors Plan to withhold from any grantee the amount of any withholding or other tax due from Syniverse Inc. with respect to any shares of common stock issuable under the stock options, and Syniverse Inc. may defer the exercise of the stock options or the issuance of the common stock following exercise unless indemnified to its satisfaction.

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No award made under the Non-Employee Directors Plan will be transferable other than by will or the laws of descent and distribution, and each award may be exercised only by the grantee or such grantee s legal guardian or legal representative. In the event of the death of the grantee, exercise of stock options granted under the Non-Employee Directors Plan will be made only (i) by the executor or administrator of the estate of the deceased grantee or persons to whom the deceased grantee s rights under the stock option pass by will or by the laws of descent and distribution, and (ii) to the extent that the deceased grantee was entitled to so exercise at the date of his death, unless otherwise provided by the compensation committee in such grantee s underlying option agreement. In connection with the transfer of an option, the grantee will remain liable for any withholding taxes required to be withheld upon exercise of the option by the transferee.

Amendment, Suspension and Termination of Non-Employee Directors Plan and Outstanding Options

The board of directors of Syniverse Inc. or the compensation committee may suspend or terminate the Non-Employee Directors Plan or any portion of the plan at any time and may amend it from time to time in such respects as the board of directors or the compensation committee may deem advisable, except that no amendment will become effective without prior approval of Syniverse Inc. s shareholders if such approval is necessary for continued compliance with laws, agreements, or stock exchange listing requirements. Furthermore, any termination may not impair the rights of participants under outstanding stock options without the affected grantee s consent. No stock options will be granted under the Non-Employee Directors Plan after five years from the date the stock option plan is adopted or the date the stock option plan is approved by Syniverse Inc. s shareholders, whichever is earlier.

The compensation committee may amend or modify any option granted under the Non-Employee Directors Plan in any manner to the extent that the committee would have had authority initially to grant such option except that no such amendment or modification will impair the rights of any grantee without the consent of such adversely affected grantee. With the grantee s consent, the compensation committee may cancel any option and issue a new option to such grantee.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

All of the Syniverse Technologies common stock is owned by Syniverse Inc., a corporation owned by Syniverse LLC, whose members include affiliates and co-investors of GTCR Golder Rauner, LLC and certain members of our management.

The ownership interests in Syniverse LLC consist of Class A Preferred Units, Class B Preferred Units and Common Units. Holders of Class A Preferred Units and Class B Preferred Units have no voting rights except as required by law. The holders of Common Units are entitled to one vote per unit on all matters to be voted upon by the members of Syniverse LLC.

Class A Preferred Units are entitled to a preferred yield of 10.0% per annum, compounded quarterly. On any liquidation or other distribution by Syniverse LLC, holders of Class A Preferred Units are entitled to an amount equal to the original investment in such preferred units, net of any prior returns of capital with respect to such preferred units, plus any accrued and unpaid preferred yield, which we refer to as the Class A Preference Amount, before any payments may be made to holders of Class B Preferred Units or Common Units. Class A Preferred Units may be used as consideration for the repurchase by Syniverse LLC of Class B Preferred Units and Common Units held by members of our management team who cease to be employed by Syniverse LLC, Syniverse Inc. or their respective subsidiaries. Class B Preferred Units are also entitled to a preferred yield of 10.0%, compounded quarterly. On any liquidation or other distribution by Syniverse LLC and after payment of the Class A Preference Amount, holders of Class B Preferred Units are entitled to an amount equal to the original investment in such preferred units, net of any prior returns of capital with respect to such preferred units, plus any accrued and unpaid preferred yield, which we refer to as the Class B

Preference Amount, before any

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payments may be made to holders of Common Units. The Common Units represent the common equity of Syniverse LLC. After payment of the Class A Preference Amount and the Class B Preference Amount, Common Unit holders are entitled to any remaining proceeds of any liquidation or other distribution by Syniverse LLC pro rata according to the number of Common Units held by such holder.

Both our senior credit facility and the indenture relating to the notes generally limit the ability of Syniverse LLC s operating subsidiaries to pay cash distributions to their respective equityholders other than distributions in amounts approximately equal to the tax liability of the members of Syniverse LLC unless certain conditions are satisfied. Because Syniverse LLC s only significant assets are the stock of its subsidiaries, Syniverse LLC likely will not have sufficient funds to make distributions to its members, other than tax distributions. Such tax distributions will be made quarterly and will be based on the approximate highest combined tax rate that applies to any of Syniverse LLC s members.

The following table sets forth certain information regarding the beneficial ownership of Syniverse LLC as of March 15, 2004 by: (i) each person or entity known to us to own more than 5% of any class of Syniverse LLC s outstanding securities and (ii) each member of our board of managers, each of our named executive officers and all members of the board of managers and executive officers as a group. Syniverse LLC s outstanding securities consisted of approximately 90,640,541 Common Units, 252,367.50 Class B Preferred Units and no Class A Preferred Units as of March 15, 2004. The following table sets forth information regarding the beneficial ownership of Syniverse LLC rather than us because Syniverse LLC owns 100% of Syniverse Inc. s outstanding capital stock and Syniverse Inc. owns 100% of our capital stock. To our knowledge, each of such securityholders has sole voting and investment power as to the units shown unless otherwise noted. Beneficial ownership of the securities listed in the table has been determined in accordance with the applicable rules and regulations promulgated under the Exchange Act.

	Securities Beneficially Owned(1)			
Name	**Number of Common Units**	**Percentage of Common Units**	**Number of Preferred Units**	**Percentage of Preferred Units**
Principal Securityholders:				
GTCR Fund VII, L.P.(2)(3)	69,299,335.43	76.5%	220,971.00	87.6%
GTCR Fund VII/A, L.P.(2)(3)	69,299,335.43	76.5	220,971.00	87.6
GTCR Co-Invest, L.P.(2)(3)	69,299,335.43	76.5	220,971.00	87.6
GTCR Capital Partners, L.P.(2)(3)	69,299,335.43	76.5	220,971.00	87.6
Snowlake Investment Pte. Ltd.(4)	9,165,309.28	10.1	29,258.79	11.6
Managers and Executive Officers:				
G. Edward Evans(5)	6,475,887.65	7.1	1,979.35	*
David A. Donnini(2)(3)	69,299,335.43	76.5	220,971.00	87.6
Collin E. Roche(2)(3)	69,299,335.43	76.5	220,971.00	87.6
Raymond L. Lawless(5)	900,900.90	1.0		
Paul A. Wilcock (5)	585,585.59	*		
Linda Hermansen(5)	405,405.41	*		
Eugene Bergen Henegouwen(6)	270,270.27	*		
Odie C. Donald(7)				
Tony G. Holcombe(8)				
Robert J. Marino(9)				
All managers and executive officers as a group (17 persons)	81,180,628.49	89.6%	222,950.35	88.3%

* Less than 1%

(1) Pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, as amended, a person has beneficial ownership of any securities as to which such person, directly or indirectly, through any contract, arrangement, undertaking, relationship or otherwise has or shares voting

power and/or investment power and as to which such person has the right to acquire such voting and/or investment power within 60 days.

Percentage of beneficial ownership as to any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person by the sum of the number of shares outstanding as of such date and the number of shares as to which such person has the right to acquire voting and/or investment power within 60 days.

(2) The address of each of GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest, L.P., GTCR Capital Partners, L.P. and Messrs. Donnini and Roche is c/o GTCR Golder Rauner, LLC, 6100 Sears Tower, Chicago, Illinois 60606.

(3) Includes 45,054,361.36 Common Units and 143,575.10 Class B Preferred Units held by GTCR Fund VII, L.P., 22,487,432.10 Common Units and 71,787.55 Class B Preferred Units held by GTCR Fund VII/A, L.P., 618,348.83 Common Units and 1,971.66 Class B Preferred Units held by GTCR Co-Invest, L.P. and 1,139,193.14 Common Units and 3,636.69 Class B Preferred Units held by GTCR Capital Partners, L.P. Mr. Donnini is a principal in GTCR Golder Rauner, LLC, which is the general partner of the general partner of GTCR Fund VII, L.P. and GTCR Fund VII/A, L.P. and which is the general partner of GTCR Co-Invest, L.P. Mr. Roche is a Principal in GTCR Golder Rauner, LLC. Mr. Donnini and Mr. Roche each disclaim the beneficial ownership of the Units held by such entities except to the extent of his proportionate ownership interests therein.

(4) The address of Snowlake Investment Pte. Ltd. is c/o GIC Special Investment Pte Ltd, 255 Shoreline Drive, Suite 600, Redwood City, California 94065. The Government of Singapore Investment Corporation Pte Ltd has voting and investment control over those shares.

(5) The address of each of Messrs. Evans, Lawless, Wilcock, and Ms. Hermansen is c/o Syniverse Technologies Inc., One Tampa City Center, Suite 700, Tampa, Florida 33602.

(6) The address of Mr. Henegouwen is Graatd Van Roggenweg 328-334 Utrecht, Netherlands

(7) The address of Mr. Donald is 35 Kenmare Hall NE, Atlanta, Georgia 30324.

(8) The address of Mr. Holcombe is 201 Lake Ridge Court, Franklin, Tennessee 37069.

(9) The address of Mr. Marino is 3032 Castalain Ct. Naples, Florida 34105.

Equity Compensation Plan Information

	(a)	(b)	(c)
Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity plans approved by security holders	393,750	$ 5.00	906,250
Equity compensation plan not approved by security holders			
Total	393,750	$ 5.00	906,250

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Limited Liability Company Agreement

The limited liability company agreement of Syniverse LLC authorizes Syniverse LLC to issue Class B Preferred Units and Common Units. Syniverse LLC also has the authority to create and issue Class A Preferred Units, with the terms and provisions more fully described in the senior management agreements described below, in connection with certain repurchases by Syniverse LLC of Class B Preferred Units and Common Units held by former executives in the event they cease to be employed by Syniverse LLC, Syniverse Technologies Inc. or our

respective subsidiaries.

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Pursuant to the limited liability company agreement, distributions of property of Syniverse LLC shall be made in the following order:

First, holders of Class A Preferred Units, if any, will receive a preferred yield on their invested capital of 10% per annum, compounded quarterly;

Second, holders of Class A Preferred Units, if any, will receive return of their invested capital;

Third, holders of Class B Preferred Units will receive a preferred yield on their invested capital of 10% per annum, compounded quarterly;

Fourth, holders of Class B Preferred Units will receive return of their invested capital; and

Thereafter, holders of the Common Units will receive all remaining distributions.

A Board of Managers generally has the exclusive authority to manage and control the business and affairs of Syniverse LLC. The composition of the Board of Managers is determined in accordance with the provisions of the securityholders agreement described below.

Securityholders Agreement

Pursuant to the securityholders agreement entered into in connection with our acquisition from Verizon, units of Syniverse LLC (or common stock following a change in corporate form) beneficially owned by the securityholders of Syniverse LLC and its subsidiaries are subject to certain restrictions on transfer, other than certain exempt transfers as defined in the securityholders agreement, as well as the other provisions described below. When reference is made to units of Syniverse LLC in the discussion that follows, such reference shall be deemed to include common stock of Syniverse LLC following a change in corporate form, whether in preparation for an initial public offering or otherwise.

The securityholders agreement provides that GTCR Fund VII, L.P., GTCR Fund VII/A, L.P. and GTCR Co-Invest, L.P., which we refer to as the GTCR investors, and our executives or other executive officers of our subsidiaries who acquire securities of Syniverse LLC, which we refer to as the management investors, and all other parties to the agreement, which we refer to as the other investors, will vote all of their units to elect and continue in office, boards of managers or boards of directors of Syniverse LLC and each of its subsidiaries, consisting of up to seven members composed of:

three persons designated by GTCR Fund VII;

our chief executive officer;

one other employee of ours or our subsidiaries designated by the chief executive officer; and

two representatives designated jointly by GTCR Fund VII and the chief executive officer, or, if GTCR Fund VII and the chief executive officer are unable to agree upon such representatives, designated by GTCR Fund VII.

The securityholders agreement also provides:

the management investors and the other investors with customary tag-along rights with respect to transfers of Syniverse LLC units beneficially owned by the GTCR investors;

preemptive rights to management investors and other investors in connection with certain authorizations of sales to the GTCR investors of Common Units or securities convertible into Common Units;

in connection with certain sales of interests in Syniverse LLC by investors other than the GTCR investors, rights of first refusal with respect to such sales, first to Syniverse LLC, then to the remaining investors; and

the GTCR investors with drag along rights with respect to Syniverse LLC units owned by the management investors and the other investors.

Registration Agreement

Under the registration agreement entered into in connection with our acquisition form Verizon, the holders of a majority of the GTCR investors registrable Syniverse LLC securities have the right at any time, subject to

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certain conditions, to require Syniverse LLC, any corporate successor thereto or any subsidiary thereof, to register any or all of their securities under the Securities Act on Form S-1, which we refer to as a long-form registration at Syniverse LLC s expense or on Form S-2 or Form S-3, which we refer to as a short-form registration at Syniverse LLC s expense. Syniverse LLC is not required, however, to effect any such long-form registration within 90 days after the effective date of a previous long-form registration. In addition, all holders of registrable securities are entitled to request the inclusion of such securities in any registration statement at Syniverse LLC s expense whenever Syniverse LLC proposes to register any offering of its equity securities (other than pursuant to an initial public offering of Syniverse LLC s equity securities or a registration on Form S-4 or Form S-8).

Senior Management Agreements

Provisions Regarding Units

Mr. Evans

We have entered into a senior management agreement with G. Edward Evans pursuant to which he:

- acquired a strip of 1,979.35 Class B Preferred Units and 620,031.79 Common Units, which are referred to as Co-Invest Units, at a price of $1,000 per Class B Preferred Unit and $.0333 per Common Unit;

- acquired 5,855,855.86 additional Common Units which were available only for issuance to management investors and which are referred to as Carried Units, at a price of $.0333 per Carried Unit, and

- committed to acquire up to approximately $196,000 of additional equity securities of Syniverse LLC under certain circumstances.

Co-Invest Units were fully vested when purchased but Carried Units are subject to vesting and will vest quarterly over a period of five years, subject to acceleration in the event of an initial public offering of the equity of Syniverse LLC, or any corporate successor thereto or a sale of Syniverse LLC.

Syniverse LLC may be required to purchase a portion of Mr. Evans units in the event of his termination of employment due to death or disability. In addition, Syniverse LLC and the other investors will have the right to purchase all or a portion of Mr. Evans units if his employment is terminated. If Syniverse LLC elects or is required to purchase any units pursuant to the call and put options described in the preceding sentences, up to 50% of the purchase price of any such units may be paid by issuing Class A Preferred Units to Mr. Evans. Each Class A Preferred Unit has a liquidation preference equal to the purchase price of the units being purchased with such Class A Preferred Unit. In addition, if any repurchase would result in a violation of law applicable to Syniverse LLC or its subsidiaries or a default under their financing arrangements, Syniverse LLC may defer such purchase until it is permitted, with the deferred purchase price accruing interest at the rate of 10% per annum, compounded quarterly.

The purchase price for securities purchased pursuant to the call and put options described above shall be:

- the original cost in the case of unvested Carried Units;
- the fair market value of such unit in the case of vested Carried Units and Co-Invest Units which are Common Units; and
- the unreturned capital plus unpaid yield in the case of Co-Invest Units that are Class B Preferred Units.

GTCR Fund VII, L.P. loaned Mr. Evans approximately $1,000,000 to fund a portion of the purchase price for his purchase of Co-Invest Units and Carried Units. This loan bears interest at a rate of 10% per annum.

The senior management agreement also prohibits Mr. Evans from transferring any of his Co-Invest Units or Carried Units, subject to certain exceptions. This transfer restriction terminates with respect to particular securities upon such securities being transferred in a public sale and terminates with respect to all securities upon the sale of Syniverse LLC.

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Others

Other members of our senior management team, including Messrs. Lawless, Kremian, Wilcock, O Brien, Nelson, Garcia, Drexler, Mosher, Bergen Henegouwen, Corrao and Ms. Hermansen, also entered into senior management agreements pursuant to which they acquired an aggregate of 5,405,405.41 Carried Units at the same price and under terms generally no less favorable to the company than Mr. Evans terms.

Employment Provisions

Mr. Evans

Our senior management agreement with Mr. Evans also contains provisions relating to employment. Mr. Evans agrees to serve as our chief executive officer until he resigns or until we terminate his employment. While employed by us, Mr. Evans will receive an annual base salary of $400,000, subject to increase by our board of directors. For each fiscal year of employment, Mr. Evans is eligible for an annual bonus of up to 50% of his annual base salary and is entitled to any other benefits approved by our board of directors. During Mr. Evans employment, Evans Motor Sports LLC, an entity owned by Mr. Evans, will be entitled to use an aircraft leased by us. Mr. Evans or Evans Motor Sports LLC pays that percentage of the monthly lease and other fixed costs for such aircraft based on Mr. Evans actual use of the aircraft on behalf of or in furtherance of business for Evans Motor Sports LLC, and reimburses us for all operating costs of the aircraft in connection with such use. Commencing in 2004, Mr. Evans or Evans Motor Sports LLC shall make such payments on a quarterly basis within the thirty (30) days immediately following the end of such quarter.

Mr. Evans employment will continue until (i) he resigns without good reason, disability or death, (ii) our board of directors decides to terminate his employment with cause, (iii) our board of directors decides to terminate his employment without cause, or (iv) he terminates his employment for good reason. If his employment is terminated by us without cause or by Mr. Evans for good reason, then we will be obligated to pay Mr. Evans one-twelfth of his annual base salary per month for a six-month period commencing on the date of termination. We have an option to extend the severance payment period (and the corresponding non-compete period described below) for up to three additional six-month periods. Any severance payments made to Mr. Evans will be reduced by the amount of any cash compensation he earns or receives with respect to any other employment during the period in which he is receiving severance.

Mr. Evans agreed to limitations on his ability to disclose any of our confidential information, and acknowledged that all inventions relating to his employment belong to us. Mr. Evans also agreed not to compete with us anywhere in the world or to solicit our employees for either the period during which he receives severance (if he is terminated without cause or if he resigns for good reason) or for two years after his termination (if he resigns without good reason or if we terminate his employment for cause).

The senior management agreement also contains customary representations, warranties and covenants.

Others

Other members of our senior management team, including Messrs. Lawless, Kremian, Wilcock, O Brien, Nelson, Garcia, Drexler, Mosher, Bergen Henegouwen, Corrao and Ms. Hermansen, also entered into senior management agreements pursuant to which they agreed to be employed by us under terms generally no less favorable to us than Mr. Evans terms.

Consulting Agreement

At the time of our acquisition from Verizon, we entered into a Consulting Agreement with Michael Hartmen pursuant to which Mr. Hartman agreed to provide consulting services to us and retain the title of President for a period of one year until February 14, 2003. Mr. Hartman received consulting payments totaling $215,500 in two installments in January and February of 2003, but was not entitled to any fringe benefits.

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Mr. Hartman agreed to limitations on his ability to disclose any of our confidential information, and acknowledges that all inventions relating to his service to us belong to us. Mr. Hartman also agreed not to compete with us anywhere in the world or to solicit our employees for a period of one year following the closing of the acquisition.

Purchase Agreements

At the time of our acquisition from Verizon, the GTCR investors and certain co-investors acquired a strip of Class B Preferred Units and Common Units for an aggregate purchase price of $252,367,500 and $2,632,500, respectively and committed to purchase up to an additional $25,000,000 of equity securities of Syniverse LLC. The investment of the additional $25,000,000 is conditioned upon the GTCR investors and the board of managers of Syniverse LLC approving the terms of the investment and the proposed use of the proceeds from the investment, as well as the satisfaction of certain other conditions.

Professional Services Agreement

At the time of our acquisition from Verizon, we engaged GTCR Golder Rauner, LLC (GTCR) as a financial and management consultant, and GTCR agreed to provide financial and management consulting services to us and our subsidiaries, all on the terms and subject to the conditions set forth in the professional services agreement.

GTCR agreed during the term of such engagement to consult with our board, the boards of directors (or similar governing body) of our affiliates and our management and management of our affiliates in such manner and on such business and financial matters as may be reasonably requested from time to time by the Board, including but not limited to: (i) corporate strategy; (ii) budgeting of future corporate investments; (iii) acquisition and divestiture strategies and (iv) debt and equity financings.

GTCR will provide and devote to the performance of the professional services agreement such partners, employees and agents of GTCR as GTCR deems appropriate for the furnishing of the services required by the professional services agreement.

At the time of any purchase of equity by the Investors and/or their Affiliates pursuant to Section 1B of the unit purchase agreement, we will pay to GTCR a placement fee in immediately available funds equal to one percent of the amount paid to Syniverse LLC in connection with such purchase. At the time of any other equity or debt financing of Syniverse LLC, Syniverse Inc., us or any of our respective subsidiaries prior to a Public Offering (as defined in Syniverse LLC s limited liability company agreement) (other than (i) the purchase of securities of Syniverse LLC by any executive pursuant to any senior management agreement (as entered into from time to time among Syniverse LLC, us and our executives) and (ii) any debt or equity financing provided by the seller or sellers of a target company or business in connection with the acquisition thereof), we will pay to GTCR a placement fee in immediately available funds equal to one percent of the gross amount of such financing (including the committed amount of any revolving credit facility). If any individual payment to GTCR pursuant to this paragraph would be less than $10,000, then such payment will be held by us until such time as the aggregate of such payments equals or exceeds $10,000.

We pay to GTCR an annual management fee of $500,000. Such management fee is payable in equal monthly installments.

We are obligated to promptly reimburse GTCR for such reasonable travel expenses, legal fees and other out-of-pocket fees and expenses as have been or may be incurred by GTCR, its directors, officers and employees in connection with our purchase from Verizon, in connection with any financing of Syniverse LLC, us or any of our respective subsidiaries, and in connection with the rendering of any other services hereunder (including, but not limited to, fees and expenses incurred in attending company-related meetings).

The professional services agreement will continue until the earlier to occur of (i) a sale in a public offering registered under the Securities Act of 1933, as amended, of equity securities of Syniverse LLC or a corporate successor to Syniverse LLC and (ii) the Investors and their Affiliates ceasing to own at least 50% of the Investor Securities (as defined in the unit purchase agreement). No termination of the professional services agreement, whether pursuant to this paragraph or otherwise, will affect our obligations with respect to the fees, costs and expenses incurred by GTCR in rendering services hereunder and not reimbursed by us as of the effective date of such termination.

Neither GTCR nor any of its affiliates, partners, employees or agents shall be liable to us, Syniverse LLC, or their subsidiaries or affiliates for any loss, liability, damage or expense arising out of or in connection with the performance of services contemplated by the professional services agreement, unless such loss, liability, damage or expense is proven to result directly from the gross negligence or willful misconduct of GTCR.

We have agreed to indemnify and hold harmless GTCR, its partners, affiliates, officers, agents and employees against and from any and all loss, liability, suits, claims, costs, damages and expenses (including attorneys fees) arising from their performance under the professional services agreement, except as a result of their gross negligence or intentional wrongdoing.

Neither GTCR nor we may assign our rights or obligations under the professional services agreement without the express written consent of the other, except that GTCR may assign its rights and obligations to an affiliate of GTCR. The professional services agreement is governed by the internal laws of the State of Delaware.

For purposes of the professional services agreement, the following terms have the following definitions:

Affiliate of any person means any other person controlling, controlled by or under common control with such particular person or entity.

Investors means GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., and GTCR Co-Invest, L.P.

Revenue Guaranty Agreement

We have entered into an agreement with Verizon Information Services Inc. (VIS) in which VIS has agreed, through December 31, 2005, to make quarterly payments to us if the amount of wireless revenues, as defined, for a given period is less than the revenue target for such period. In general the revenue guaranty payments will be due if wireless revenues during each of the years in the period from February 14, 2002 to December 31, 2005 are less than 82.5% of the agreed-upon targets.

Payments due under the agreement would be calculated quarterly as equal to 61.875% of the shortfall for the each first three quarters and 82.5% of the cumulative shortfall for each of the years covered under the agreement. The quarterly and full year targets covered under the agreement are:

$12.9 million for each fiscal quarter in 2002, $45.4 million for the period February 14, 2002 to December 31, 2002;

$8.7 million for each fiscal quarter in 2003, $34.9 million for full year 2003;

$8.4 million for each fiscal quarter in 2004, $33.5 million for full year 2004;

$8.3 million for each fiscal quarter in 2005, $33.2 million for full year 2005.

No payments from Verizon are due under the guaranty agreement for the period from February 14, 2002 to December 31, 2003.

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Intellectual Property Agreement

Under the intellectual property agreement entered into in connection with our acquisition from Verizon, Verizon Information Services Inc., Verizon Communications Inc. and we agreed to the following:

- We and the Verizon companies each conveyed an undivided joint ownership interest to the other in certain of our respective unregistered intellectual property;
- the Verizon companies and their affiliates granted a limited, royalty-free, non-exclusive, worldwide license of certain of their respective registered intellectual property to us and our affiliates;
- We granted a limited royalty-free, non-exclusive, worldwide license of certain of our registered intellectual property to the Verizon companies and their affiliates;
- the Verizon companies and their affiliates granted a limited, royalty-free, non-exclusive, worldwide license of certain third-party intellectual property to us pursuant to their right to sublicense such materials;
- the Verizon companies conveyed and transferred to us certain of their intellectual property; and
- the Verizon companies and their affiliates are generally indefinitely prohibited from using any of the intellectual property that we license to them under the intellectual property agreement to offer goods or services that compete with us, whether such goods or services are provided to third parties or used internally.

Taken together, these licenses and joint-ownership grants generally provide us and the Verizon companies the right to continue our respective use of the other s intellectual property in existence as of the closing of the acquisition to the extent that we rely upon such intellectual property to operate our respective businesses prior to the closing of the acquisition. We also agreed that, except as required by applicable law, we will not divulge or otherwise make available to any person the intellectual property that is the subject of the agreement.

Distributed Processing Services Agreement

We entered into a Distributed Processing Services Agreement with Verizon Information Technologies Inc. (VITI) whereby VITI agreed to provide us with data center infrastructure and technical support services in support of our distributed systems processing, including a data center network infrastructure. Furthermore, for a period not to exceed sixty (60) days from the effective date of the Distributed Processing Services Agreement, VITI provides the six circuits that we receive from NTN on a pass-through cost basis. VITI also continued to provide us access to SAP, AP and Intranet applications for a period of sixty (60) days from the effective date of the Distributed Processing Services Agreement.

VITI is responsible for monitoring the company-provided telecommunications network between our location and VITI s location, as well as for the purchase and maintenance of the network hardware and software at VITI s demarcation point. We are responsible for the purchase and maintenance of any network hardware or software necessary to allow us to connect to the network at a mutually satisfactory company demarcation point.

We pay both monthly labor fees (capped at approximately $240,667 per month) and maintenance fees. The contract rate of the maintenance fees is $3.6 million annually with $300,000 of that charge billed to us on a monthly basis. If new hardware, software or maintenance is added or service levels are increased, VITI will charge us at rates that are consistent with those described above in this paragraph. To the extent we request VITI to transfer any third party licenses used specifically for us and not under Verizon s enterprise license, VITI will transfer such licenses, provided that we have paid all consent, license and maintenance fees.

The agreement is for 18 months. We have the right to terminate the agreement (or any services relating to specific hardware or software that we may want to remove from the environment) for convenience, in whole or in part, by providing three months prior written notice. Appropriate adjustments to the fees will be made with

respect to any termination in part. Provided that we have not been terminated for default, VITI will, upon request, provide termination assistance to us sufficient to transfer us to another service provider. This assistance shall be provided at $125 per hour.

We have the right to purchase certain hardware from VITI upon termination or expiration of the agreement for either one dollar or book value, depending on the type of hardware. We and VITI also entered into service level agreements, attached as an exhibit to the agreement, for existing applications and hardware and for existing hardware platforms. The parties are also obligated to negotiate new service levels for added hardware and software within 90 days of the implementation of such additional hardware or software.

On July 8, 2003, the Distributed Processing Services Agreement with VITI was renewed for an additional 3 years. Amounts incurred under this agreement total $4.6 million for the year ended December 31, 2003.

Equity Sponsor s Investment in Transaction Network Services, Inc.

Certain investment funds affiliated with GTCR Golder Rauner, LLC are collectively the controlling equityholder of Transaction Network Services, Inc. (TNS). We have done business with TNS in the past, and expect to continue to do business with TNS in the future. Collin Roche, who serves as one of our directors, also serves on the board of directors of TNS. For the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, we recognized revenues in the amount of $1,617 and $2,313, respectively. For the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, we recognized expenses in the amount of $687 and $457, respectively.

Acquisition of Brience Inc.

Effective July 23, 2003, pursuant to an agreement and plan of merger dated as of July 15, 2003, among Syniverse Networks, Syniverse Brience, LLC (Syniverse Brience), Brience, Inc. (Brience) and certain holders (the seller parties) of Series C Preferred Stock, par value $.01 per share, of Brience, Brience was merged with and into Syniverse Brience with Syniverse Brience continuing as the surviving entity and a wholly owned subsidiary of Syniverse Networks. Historically, Brience developed and sold information access and integration software products to large enterprises. At the time of the merger, however, Brience s business was limited to selling and servicing its Mobile Processing Server product.

As a result of the merger, each share of Series C Preferred Stock of Brience outstanding as of the effective time of the merger was converted into a right to receive a pro rata share of 1.67 shares of Class B Common Stock, par value $.01 per share, of Syniverse Networks, under the terms and subject to the conditions set forth in the merger agreement. All other outstanding classes of stock of Brience were canceled and retired with no right to payment under the terms of the merger agreement. Concurrent with the merger, the seller parties other than GTCR Fund VII, L.P. and GTCR Co-Invest, L.P. entered into an exchange agreement, dated as of July 23, 2003, with Syniverse LLC pursuant to which such seller parties (the exchange parties) exchanged all of the merger consideration received by the exchanging parties in the merger in exchange for a pro rata portion of 19,775.01 common units of Syniverse LLC. Also concurrent with the merger, GTCR Fund VII, L.P. and GTCR Co-Invest L.P. (the investors) entered into a contribution agreement, dated as of July 23, 2003, with Syniverse LLC pursuant to which the Investors agreed to contribute to Syniverse LLC all of the merger consideration received by the investors in the merger in exchange for a pro rata position of 80,224.99 common units of Syniverse LLC.

The consideration paid to holders of Series C Preferred Stock was determined through arms-length negotiations between (i) the board of managers and officers of Syniverse LLC and the boards of directors and officers of Syniverse Networks and us and (ii) the board of directors and

officers of Brience, which included representatives of the exchanging parties. Messrs. Donnini and Roche recused themselves from all discussions by the board of managers of Syniverse LLC and the boards of directors of Syniverse Networks and us with respect to the merger. The merger agreement was approved and adopted by the stockholders of Brience pursuant to written consents, which included a majority of the minority owners of Brience.

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ITEM 14. Principal Accountant Fees and Services

The following table presents fees for professional audit and other services rendered by our independent registered public accounting firm, Ernst & Young LLP, for the years ended December 31, 2002 and 2003.

	Year Ended December 31, 2002	Year Ended December 31, 2003
Audit fees(1)	$ 718,598	$ 726,987
Audit-related fees(2)	193,518	77,126
Tax fees(3)	77,018	
All other		
Total fees	$ 989,134	$ 804,113

1) Audit fees include fees for our fiscal year-end audit, interim quarterly reviews, other SEC filings, comfort letters, consents acquisitions, and accounting consultations.
2) Audit-related fees include fees for due diligence in connection with proposed acquisitions.
3) Tax fees include fees for consultation on state tax and international tax matters.

Our Board of Directors pre-approved all of the services by Ernst & Young LLP.

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PART IV

ITEM 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

		Page
(a) 1.	Index to Financial Statements	77
	Report of Independent Certified Public Accountants	78
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	Consolidated Statements of Changes in Unitholders /Shareholder s Equity	81
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(a) 2.	Financial Statement Schedule	
	Schedule II Valuation and Qualifying Accounts	119

All other schedules have been omitted since the required information is not present in amounts sufficient to require submission of the schedule, or because the information required is included in our consolidated financial statements or note thereto.

(b) The following reports on Form 8-K were filed during the fourth quarter of 2003:

The registrant filed a Current Report on Form 8-K on October 30, 2003, under Item 9. Regulation FD Disclosure and Item 12. Disclosure of Results of Operations and Financial Condition reporting on Syniverse Technologies Inc. s results for the third quarter of 2003.

The registrant filed a Current Report on Form 8-K/A on November 14, 2003, under Item 5. Other Events and Regulation FD Disclosure and Item 7. Financial Statements, Pro Forma Financial Information and Exhibits reporting the restated audited consolidated financial statements of the Ultimate Parent as of December 31, 2002 and for the period from February 14, 2002 to December 31, 2002 in lieu of the audited pre-acquisition financial statements of Brience.

(c) The following is a list of exhibits required by Item 601 of Regulation S-K to be filed as part of this Report. Where so indicated by footnote, exhibits that were previously filed are incorporated by reference.

EXHIBITS REQUIRED TO BE FILED BY ITEM 601 OF REGULATION S-K

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated December 7, 2001, by and between TSI Telecommunication Holdings, Inc. and Verizon Information Services Inc.(1)

2.2	Amended and Restated Agreement of Merger, dated December 7, 2001, as amended and restated as of January 14, 2002, by and among TSI Telecommunication Holdings, Inc., TSI Merger Sub, Inc., Verizon Information Services Inc. and TSI Telecommunication Services Inc.(1)
2.3	Asset Transfer Agreement, dated February 14, 2002, between TSI Telecommunication Services Inc. and TSI Network Services Inc.(1)
3.1	Restated Certificate of Incorporation of TSI Telecommunication Services Inc.(1)
**3.1.1	Restated Certificate of Incorporation of Syniverse Technologies, Inc.
3.2	Bylaws of TSI Telecommunication Services Inc.(1)
3.3	Amended and Restated Certificate of Incorporation of TSI Telecommunication Holdings, Inc.(1)
3.4	Bylaws of TSI Telecommunication Holdings, Inc.(1)

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Exhibit No.	Description
3.5	Amended and Restated Certificate of Incorporation of TSI Network Services Inc.(1)
3.6	Bylaws of TSI Network Services Inc.(1)
3.7	Certificate of Formation of TSI Telecommunication Holdings, LLC.(1)
**3.7.1	Restated Certificate of Formation of Syniverse Holdings, LLC
3.8	Limited Liability Company Agreement of TSI Telecommunication Holdings, LLC.(1)
3.9	Certificate of Incorporation of TSI Finance Inc.(1)
3.10	Bylaws of TSI Finance Inc.(1)
3.11	Amendment No. 1 to Amended and Restated Certificate of Incorporation of TSI Telecommunication Network Services, Inc.(6)
3.12	Limited Liability Company Operating Agreement of TSI Brience, LLC.(6)
4.1	Purchase Agreement, dated February 5, 2002, among TSI Merger Sub, Inc., TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc., TSI Finance Inc. and Lehman Brothers Inc.(1)
4.2	Indenture, dated February 14, 2002, among TSI Merger Sub, Inc., TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc., TSI Finance Inc. and The Bank of New York, as trustee.(1)
4.3	Exchange and Registration Rights Agreement, dated March 27, 2001, by and among TSI Merger Sub, Inc., TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc., TSI Finance Inc. and Lehman Brothers Inc.(1)
4.4	Notation of Guarantee, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc. and TSI Finance Inc.(1)
4.5	Form of Rule 144A Global Note.(1)
4.6	Form of Regulation S Global Note.(1)
4.7	Form of Exchange Note.(1)
10.1	Credit Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, Inc., TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc., as Borrower, the several Lenders from time to time parties thereto, Lehman Brothers Inc., as Lead Arranger and Book Manager and Lehman Commercial Paper Inc., as Administrative Agent.(1)
10.2	Guarantee and Collateral Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Telecommunication Services Inc. and certain of their respective Subsidiaries, and Lehman Commercial Paper Inc., as Administrative Agent.(1)
10.3	Intellectual Property Security Agreement, dated February 14, 2002, between TSI Telecommunication Services Inc. and Lehman Commercial Paper Inc., as administrative agent.(1)
10.4	Guaranty of Wireless Revenue, dated February 14, 2002, between Verizon Information Services Inc. and TSI Telecommunication Services Inc.(1)
10.5	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and G. Edward Evans.(1) as amended by that certain Amendment to Senior Management Agreement, dated April 1, 2003, by and among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and G. Edward Evans (2).
10.6	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Raymond L. Lawless.(1)

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Exhibit No.	Description
10.7	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Michael O Brien.(1)
10.8	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Paul A. Wilcock.(1)
10.9	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Wayne Nelson.(1)
10.10	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Robert Clark.(1)
10.11	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Douglas Meyn.(1)
10.12	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Gilbert Mosher.(1)
10.13	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Christine Wilson Strom.(1)
10.14	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Robert Garcia, Jr.(1)
10.15	Consulting Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Michael Hartman.(1)
10.16	Securityholders Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest, L.P., G. Edward Evans, Raymond L. Lawless, Robert Clark, Robert Garcia, Jr., Douglas Meyn, Gilbert Mosher, Wayne Nelson, Michael O Brien, Christine Wilson Strom, Paul Wilcock, Rajesh Shah, Christian Schiller, Arnis Kins, John Kins and Snowlake Investment Pte Ltd.(1)
10.17	Unit Purchase Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, GTCR Fund VII, L.P., GTCR Fund VII/A, L.P. and GTCR Co-Invest, L.P.(1)
10.18	Stock Purchase Agreement, dated February 14, 2002, by and between TSI Communication Holdings, Inc. and TSI Communication Holdings, LLC.(1)
10.19	Purchase Agreement, dated February 14, 2002, between TSI Telecommunication Holdings, LLC and Snowlake Investment Pte Ltd.(1)
10.20	Co-Interest Purchase Agreement, dated February 14, 2002, between TSI Telecommunication Holdings, LLC and Project Networks Partners LLC.(1)
10.21	Purchase Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, Christian Schiller, Arnis Kins and John Kins.(1)
10.22	Professional Services Agreement, dated February 14, 2002, between GTCR Golder Rauner, L.L.C. and TSI Merger Sub, Inc.(1)
10.23	Transition Services Agreement, dated February 14, 2002, between Verizon Information Services Inc. and TSI Telecommunication Services Inc.(1)
10.24	Registration Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest L.P., G. Edward Evans, Raymond L. Lawless, Robert Clark, Robert Garcia, Jr., Douglas Meyn, Gilbert Mosher, Wayne Nelson, Michael O Brien, Christine Wilson Strom, Paul Wilcock, Rajesh Shah, Christian Schiller, Arnis Kins, John Kins and Snowlake Investment Pte Ltd.(1)
10.25	Inducement Agreement, dated February 14, 2002, among GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest, L.P., Snowlake Investment Pte Ltd, GTCR Capital Partners, L.P. and TSI Telecommunication Holdings, LLC.(1)

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Exhibit No.	Description
10.26	Termination Agreement and Release (Verizon Data Services), dated February 14, 2002, between Verizon Data Services, Inc. and TSI Telecommunication Services Inc.(1)
10.27	Intellectual Property Agreement, dated February 14, 2002, among Verizon Information Services, Inc., Verizon Communications Inc. and TSI Telecommunication Services Inc.(1)
10.28	Intellectual Property Letter Agreement, dated February 14, 2002, among Verizon Information Services, Inc., TSI Telecommunication Services Inc. and TSI Telecommunication Holdings, Inc.(1)
10.29	Mainframe Computing Services Agreement, dated February 14, 2002, between Verizon Information Technologies Inc. and TSI Telecommunication Services Inc.(1)
10.30	Distributed Processing Services Agreement, dated February 14, 2002, by and between Verizon Information Technologies Inc. and TSI Telecommunications Services Inc.(1)
10.31	TSI Telecommunication Holdings, Inc. Founders Stock Option Plan.(1)
10.32	Form of Nonqualified Stock Option Plan Stock Option Agreement for Management.(1)
10.33	Form of Nonqualified Stock Option Agreement for Non-Management.(1)
10.34	TSI Telecommunication Holdings, Inc. Non-employee Directors Stock Option Plan (9)
10.35	Form of Nonqualified Stock Option Agreement for Non-employee Directors (9)
10.36	Senior Management Agreement, dated June 3, 2002 among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Charles A. Drexler.(9)
10.37	Senior Management Agreement, dated February 14, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Linda Hermansen (3).
10.38	Senior Management Agreement, dated February 14, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Gilbert Mosher (3).
10.39	Senior Management Agreement, dated May 14, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Eugene Bergen Henegouwen.(2)
10.40	Senior Management Agreement, dated August 14, 2003, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc, and Paul Corrao(7)
10.41	First Amendment to Credit Agreement, dated as of September 25, 2003, by and among TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Telecommunication Services Inc., the lenders signatory thereto, and Lehman Commercial Paper Inc. (4)
10.42	Agreement and Plan of Merger, dated as of July 15, 2003, by and among TSI Telecommunication Network Services Inc., TSI Brience, LLC, Brience, Inc., and the Seller Parties named therein. (5)
10.43	Exchange Agreement, dates as of July 23, 2003, by and among the Parent and the persons listed on the signature page thereto under the heading Exchanging Parities . (5)
10.44	Contribution Agreement, dates as of July 23, 2003, by and among GTCR Fund VII, L.P., GTCR Co-Invest, L.P., and TSI Telecommunication Holdings, LLC. (5)
10.45	Second Amendment to Credit Agreement, dated as of March 11, 2004, by and among Syniverse Holdings, LLC, Syniverse Holdings, Inc., Syniverse Technologies, Inc., the lenders signatory thereto, and Lehman Commercial Paper Inc. (8)
**10.46	Agreement relating to the sale and purchase of the entire issued share capital of Softwright Holdings Limited, dated as of December 19, 2003, by and among TSI Telecommunication Services Inc. and the Vendors named therein.
**10.47	Senior Management Agreement, dated December 8, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and F. Terry Kremian.

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Exhibit No.	Description
**12.1	Computation of ratio of earnings to fixed charges.
**14.1	Code of Ethics of Syniverse Technologies, Inc.
**21.1	Subsidiaries of Syniverse Holdings, LLC.
*31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer.
*31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer.
*32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) by the Chief Executive Officer.
*32.2	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) by the Chief Financial Officer.

(1) Incorporated by reference to the Registrants Registration Statement on Form S-4 (Registration No. 333-88168).
(2) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2003 (File No. 333-88168-1).
(3) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (File No. 333-88168-1).
(4) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Current Report on Form 8-K dated September 25, 2003 (File No. 333-88168-1).
(5) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Current Report on Form 8-K dated July 23, 2003 (File No. 33-88168-1).
(6) Incorporated by reference to the Registrant s Post Effective Amendment No. 2 (Registration No. 333-99293).
(7) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003 (File No. 333-88168-1).
(8) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Current Report on Form 8-K filed on March 16, 2004 (File No. 333-88168).
(9) Incorporated by reference to the Registrants Registration Statement on Form S-1 filed September 6, 2002 (Registration No. 333-99293).
* Filed herewith.
** Previously filed.
Compensatory plan or agreement.

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Consolidated Statements of Changes in Unitholders /Shareholder s Equity for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002, and the year ended December 31, 2003	81
Consolidated Statements of Cash Flows for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002, and the year ended December 31, 2003	82
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Syniverse Holdings, LLC

We have audited the accompanying consolidated balance sheets of Syniverse Holdings, LLC (formerly TSI Telecommunication Holdings, LLC) and predecessor as of December 31, 2003 and 2002, and the related consolidated statements of operations, changes in shareholders /unitholders equity and cash flows for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Syniverse Holdings, LLC and predecessor as of December 31, 2003 and 2002, and the consolidated results of its operations and its cash flows for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Tampa, Florida

March 25, 2004

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SYNIVERSE HOLDINGS, LLC AND PREDECESSOR

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS)

	December 31, 2002	December 31, 2003
ASSETS		
Current assets:		
Cash	$ 42,190	$ 8,299
Accounts receivable, net of allowances of $2,424 and $2,535, respectively	55,193	61,611
Deferred tax assets	2,110	369
Prepaid and other current assets	5,811	6,284
Total current assets	105,304	76,563
Property and equipment, net	33,728	33,548
Capitalized software, net of accumulated amortization	73,914	67,653
Deferred costs, net	16,015	14,584
Goodwill	330,559	331,263
Identifiable intangibles:		
Customer contract, net	13,594	9,705
Trademark	51,700	685
Customer base, net	207,124	196,270
Other assets	1,130	
Total assets	$ 833,068	$ 730,271
LIABILITIES AND UNITHOLDERS /SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$ 8,204	$ 4,029
Accrued payroll and related benefits	6,672	8,881
Accrued interest	14,608	14,136
Other accrued liabilities	15,841	17,419
Current portion of Term Note B, net of discount	52,736	33,589
Total current liabilities	98,061	78,054
Long-term liabilities:		
Deferred taxes	10,983	19,700
Subordinated Notes, net of discount	240,257	241,037
Term Note B, net of discount less current portion	211,607	174,749
Other liabilities	1,250	2,955
Total long-term liabilities	464,097	438,441
Commitments and contingencies		
Redeemable preferred stock of Brience (redemption value of $78,553 and $0 at December 31, 2002 and 2003, respectively	78,553	

Unitholders /shareholders equity:		
Class A Preferred Units-an unlimited number authorized, none issued or or outstanding		
Class B Preferred Units-an unlimited number authorized, 252,367.50 units issued and outstanding at December 31, 2002 and December 31, 2003; liquidation preference of $252,367	252,367	252,367
Common Units-an unlimited number authorized, 89,099,099 and 90,505,405 units issued at December 31, 2002 and December 31, 2003, respectively and 88,828,859 and 90,505,405 outstanding at December 31, 2002 and December 31, 2003, respectively	2,967	120,351
Common stock of Brience-$.01 par value, 30,000,000 shares authorized and 72,266 issued and outstanding at December 31, 2002	1	
Additional paid-in capital of Brience	38,785	
Notes receivable from stockholders of Brience	(312)	
Accumulated deficit	(101,442)	(159,368)
Accumulated other comprehensive income-unrealized gains on investments		426
Less cost of treasury units (270,270 and 0 common units at December 31, 2002 and December 31, 2003, respectively)	(9)	
Total unitholders /shareholders equity	192,357	213,776
Total liabilities and unitholders /shareholders equity	$ 833,068	$ 730,271

See Notes to Consolidated Financial Statements

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SYNIVERSE HOLDINGS, LLC AND PREDECESSOR

CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS)

	Predecessor		Successor	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002	Period from February 14 to December 31, 2002	Year Ended December 31, 2003
Revenues (excluding depreciation and amortization shown separately below and including $122,397, $15,838, $1,617 and $2,313 from affiliates, respectively)	$ 361,358	$ 39,996	$ 296,044	$ 271,408
Costs and expenses:				
Cost of operations (including $34,460, $4,419, $687 and $457 from affiliates, respectively)	169,025	20,655	130,364	109,744
Sales and marketing	24,348	2,614	22,706	18,631
General and administrative (including $4,511, $443, $417 and $500 from affiliates, respectively)	41,245	3,001	42,630	39,881
Provision for (recovery of) uncollectible accounts	2,207	1,340	(693)	466
Depreciation and amortization	15,203	1,464	33,285	37,319
Restructuring			2,845	2,164
Impairment losses on intangible assets				53,712
	252,028	29,074	231,137	261,917
Operating income	109,330	10,922	64,907	9,491
Other income (expense), net:				
Interest income (including $2,472, $221, $0 and $0 from affiliates, respectively)	3,903	432	965	768
Interest expense			(54,105)	(58,128)
Other, net	(80)	(19)	(275)	
	3,823	413	(53,415)	(57,360)
Income (loss) from continuing operations before provision for income taxes	113,153	11,335	11,492	(47,869)
Provision for income taxes	43,895	4,418	9,320	10,057
Income (loss) from continuing operations	69,258	6,917	2,172	(57,926)
Discontinued operations:				
Loss from discontinued operations (including loss on disposal of $312, net of income taxes of $0)			(1,541)	
Net income (loss)	69,258	6,917	631	(57,926)

Preferred unit dividends			(22,952)	(28,581)
Net income (loss) attributable to common shareholders/unitholders	$ 69,258	$ 6,917	$ (22,321)	$ (86,507)

See Notes to Consolidated Financial Statements

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SYNIVERSE HOLDINGS, LLC AND PREDECESSOR

CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS /SHAREHOLDERS EQUITY

(DOLLARS IN THOUSANDS)

	Class A Preferred Units	Class B Preferred Units	Common Units	Common Stock	Additional Paid-In Capital	Retained Earnings/ (Accumulated Deficit)	Treasury Units	Notes Receivable from Brience Stockholders	Accumulated Other Comprehensive Income (Loss)	Total
PREDECESSOR										
Balance at December 31, 2000	$	$	$	$ 1	$ 100,614	$ 17,038	$	$	$ (346)	$ 117,307
Net income						69,258				69,258
Dividends declared						(33,750)				(33,750)
Tax benefit from exercise of stock options					289					289
Balance at December 31, 2001				1	100,903	52,546			(346)	153,104
Net income						6,917				6,917
Dividends declared						(26,514)				(26,514)
Tax benefit from exercise of stock options					3					3
Balance at February 13, 2002	$	$	$	$ 1	$ 100,906	$ 32,949	$	$	$ (346)	$ 133,510
SUCCESSOR										
Balance at February 14, 2002	$	$ 252,367	$ 2,967	$ 1	$ 38,785	$ (102,073)	$	$ (312)	$	$ 191,735
Net income						631				631
Cost of treasury units (270,270 common units)							(9)			(9)
Balance, December 31, 2002		252,367	2,967	1	38,785	(101,442)	(9)	(312)		192,357
Net loss						(57,926)				(57,926)
Other comprehensive income unrealized gains on investments									426	426
Comprehensive income										(57,500)
Issuance of common units			47							47
Acquisition of Brience, Inc. in common control merger			117,337	(1)	(38,785)			312		429
Cost of treasury units (270,270 common units)							9			9
Balance, December 31, 2003	$	$ 252,367	$ 120,351	$	$	$ (159,368)	$	$	$ 426	$ 213,776

See Notes to Consolidated Financial Statements

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SYNIVERSE HOLDINGS, LLC AND PREDECESSOR

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	Predecessor		Successor	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002	Period from February 14 to December 31, 2002	Year Ended December 31, 2003
Cash flows from operating activities				
Net income (loss)	$ 69,258	$ 6,917	$ 631	$ (57,926)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	15,203	1,464	41,962	49,265
Provision for (recovery of) uncollectible accounts	2,207	1,340	(693)	466
Deferred income tax benefit (expense)	(4,748)	(586)	8,873	10,458
Pension and other employee retirement benefits	3,861	546		
Gain on forgiveness of debt				(1,250)
Loss on disposition of property			1,472	327
Impairment losses on intangible assets				53,712
Changes in operating assets and liabilities:				
Accounts receivable	30,498	14,682	7,475	(6,644)
Other current assets	3,912	(1,641)	(1,814)	1
Accounts payable	(7,146)	2,732	(4,350)	(1,874)
Other current liabilities	18,236	(24,269)	6,602	(254)
Other assets and liabilities			(393)	2,085
Net cash provided by operating activities	131,281	1,185	59,765	48,366
Cash flows from investing activities				
Capital expenditures	(10,406)	(606)	(12,278)	(18,280)
Acquisition of Softwright Holdings Limited net of cash acquired				(603)
(Increase) decrease in note receivable-affiliate	(89,425)	35,387		
Net cash provided by (used in) investing activities	(99,831)	34,781	(12,278)	(18,883)
Cash flows from financing activities				
Dividends paid	(33,750)	(11,250)		
Debt issuance costs paid				(1,683)
Excess cash received at purchase date			1,884	
Principal payments on Term Note B			(15,641)	(62,059)
Retirement of short-term debt			(30,430)	
Issuance of common units				65
Repurchase of common units			(9)	(9)
Notes receivable from stockholders of Brience, Inc.				312

Net cash used in financing activities	(33,750)	(11,250)	(44,196)	(63,374)
Net increase (decrease) in cash	(2,300)	24,716	3,291	(33,891)
Cash at beginning of period	2,584	284	38,899	42,190
Cash at end of period	$ 284	$ 25,000	$ 42,190	$ 8,299
Supplemental cash flow information				
Interest paid	$	$	$ 30,187	$ 46,152
Income taxes paid	24,019	22,554	1,605	
Supplemental non-cash transactions				
Note receivable of $63,525 and accrued liabilities of $48,261 distributed as dividend to stockholder		15,264		
Reduction of goodwill and restructuring reserve accrual			666	284
Acquisition of Brience with 100,000 common units of LLC				3

See Notes to Consolidated Financial Statements

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SYNIVERSE HOLDINGS, LLC AND PREDECESSOR

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. Description of Business

We are a leading provider of mission-critical technology services to wireless telecommunications companies worldwide. Our solutions simplify technology complexities by integrating disparate carriers systems and networks in order to provide seamless global voice and data communications to wireless subscribers. Many carriers depend on our integrated suite of services to solve their most complex technology-driven challenges and to facilitate the rapid deployment of next generation wireless services. We provide our services to over 300 telecommunication carriers in approximately 40 countries, including all of the ten largest U.S. carriers and six of the ten largest international carriers. We deliver most of our services to wireless carriers through a transaction-based recurring revenue model.

History

Syniverse, previously known as GTE Telecommunication Services, Inc., was incorporated in 1987 as an indirect wholly owned subsidiary of GTE Corporation (GTE). As a result of the merger of Bell Atlantic Corporation (Bell Atlantic) and GTE in June 2000, Syniverse became an indirect wholly owned subsidiary of Verizon Communications Inc. (Verizon). The merger of Bell Atlantic and GTE was accounted for as a pooling of interests business combination. Accordingly, references to affiliates and related parties include Verizon and its predecessor companies for all periods presented.

On February 14, 2002, we acquired all of the outstanding stock of Syniverse Technologies, Inc. from Verizon Communications Inc. (Verizon). Since the acquisition, all of our common and preferred shares have been owned by Syniverse Holdings, LLC, which is majority owned by funds affiliated with GTCR Golder Rauner, LLC (GTCR), a private equity investment firm. As of February 14, 2002, Verizon is no longer an affiliate or related party but remains our largest customer.

On March 1, 2004, we changed our corporate name from TSI Telecommunication Holdings, Inc. to Syniverse Holdings, Inc. In addition, we changed the names of each of our subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of Syniverse Holdings, LLC (Syniverse LLC, formerly TSI Telecommunication Holdings LLC), Syniverse Holdings, Inc. (Syniverse Inc., formerly TSI Telecommunication Holdings Inc.), Syniverse Technologies, Inc. (Syniverse, formerly TSI Telecommunication Services Inc.), Syniverse Finance, Inc. (Syniverse Finance, formerly TSI Finance Company), Syniverse Networks, Inc. (Syniverse Networks, formerly TSI Telecommunication Networks Inc.), Syniverse Technologies, BV (formerly TSI Telecommunication Services, BV), for periods beginning on and after February 14, 2002, Syniverse Brience, LLC (Syniverse Brience, formerly TSI Brience, LLC) and Softwright Holdings Limited (Softwright). References to the Company or we include all of the consolidated companies. All significant intercompany balances and transactions have been eliminated.

As described more fully in Note 5, Syniverse LLC acquired Brience, Inc. (Brience) in July 2003. Due to common control of both Syniverse LLC and Brience since February 14, 2002 by funds associated with GTCR, the acquisition was accounted for in a manner similar to a pooling of interests. Therefore, all historical financial statements of Syniverse LLC since that date have been restated herein to include Brience s historical financial results.

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As described more fully in Note 6, Syniverse LLC acquired Softwright Holdings Limited on December 19, 2003. The acquisition was accounted for using the purchase method of accounting.

The term successor refers to Syniverse Holdings, LLC (Syniverse LLC) and all of its subsidiaries, including Syniverse, following the acquisition of Syniverse on February 14, 2002. The term predecessor refers to Syniverse prior to being acquired by Syniverse Inc. on February 14, 2002.

Use of Estimates

We prepare our financial statements using accounting principles generally accepted in the United States, which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

The majority of our revenues are transaction-based and derived from long-term contracts, typically averaging three to five years. Our revenues are primarily the result of the sale of our technology interoperability services, network services, number portability services, call processing services and enterprise solutions to wireless carriers throughout the world. In order to encourage higher customer transaction volumes, we generally negotiate tiered pricing schedules with our customers based on certain established transaction volume levels. Generally, there is also a seasonal increase in wireless roaming telephone usage and corresponding revenues in the high-travel months of the second and third fiscal quarters.

Technology Interoperability Services primarily generate revenues by charging per-transaction processing fees. For our wireless roaming clearinghouse, SMS routing services, and wireline network access billing, revenues vary based on the number of data/messaging records provided to us by wireless carriers for aggregation, translation and distribution among carriers. We recognize revenues at the time the transactions are processed.

Network Services primarily generate revenues by charging per-transaction processing fees. In addition, our customers pay monthly connection fees based on the number of network connections as well as the number of switches with which a customer communicates. The per-transaction fees are based on the number of intelligent network messages and intelligent network database queries made through our network and are recognized as revenues at the time the transactions are processed. In addition, a small amount of our revenues are generated through software license fees, maintenance agreements and professional services. License fee revenues consist principally of revenues from the licensing of our software and are generally recognized over the contract period. Maintenance agreements call for us to provide technical support and software enhancements to customers. Revenues on technical support and software enhancement rights are recognized ratably over the term of the support agreement. Professional services include consulting, training and installation services to our customers. Revenues from such services are generally recognized on a straight-line basis over the same period as the software license fees.

Number Portability Services primarily generate revenues by charging per-transaction processing fees, monthly fixed fees, and fees for customer implementations. We recognize processing revenues at the time the transactions are processed. We recognize monthly fixed fees as revenues on a monthly basis as the services are performed. We defer revenues related to customer implementations and recognize these fees on a straight-line basis over the life of the initial customer agreements.

Call Processing Services primarily generate revenues by charging per-transaction processing fees. The per-transaction fee is based on the number of validation, authorization and other call processing messages generated by wireless subscribers. We recognize

processing fee revenues at the time the transactions are processed.

Enterprise Solutions Services primarily generate revenues by charging per-subscriber fees. We recognize these revenues at the time the service is performed.

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Off-Network Database Query Fees primarily generate revenues by providing access to these database providers. We pass these charges onto our customers, with little or no margin, based upon the charges we receive from the third party intelligent network database providers. We recognize revenues at the time the transaction is processed.

Due to our billing cycles, which for some products lag as much as 40 days after the calendar month in which the services are rendered, we estimate the amounts of unbilled revenue each reporting period. Our estimates are based on recent volume and pricing trends adjusted for material changes in contracted service. Historically, our estimates have correlated well with our actual billed revenue. Unanticipated changes in volume and pricing trends or material changes in contracted service could adversely affect our estimates of unbilled revenue.

Advertising Costs

We expense advertising costs as they are incurred. Advertising costs charged to expense amounted to $186, $22, $217 and $108 for the year ended December 31, 2001, the periods from January 1, 2002 to February 13, 2002, and February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, respectively.

Research and Development

Research and development costs are charged to expense as incurred. Research and development costs which are included in general and administrative expense in the consolidated statements of operations amounted to $26,658, $2,527, $22,494, and $15,616 for the year ended December 31, 2001, the periods from January 1, 2002 to February 13, 2002, and February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, respectively.

Stock-Based Compensation

We participated in stock-based employee compensation plans sponsored by Verizon for the periods ending 2000, 2001 and the period from January 1, 2002 to February 13, 2002. We participated in a stock-based employee compensation plan sponsored by Brience for the period from February 14, 2002 to December 31, 2002.

On May 16, 2002, Syniverse Inc. s Board of Directors adopted a Founders Stock Option Plan for non-employee directors, executives and other key employees of Syniverse Inc. In addition, the Board of Directors adopted a Directors Stock Option Plan on August 2, 2002.

We account for these plans and related grants there under using the intrinsic value method prescribed in APB Opinion No. 25, *Accounting for Stock Issued to Employees*. However, pro forma information regarding net income and earnings per share as required by Statement of Financial Accounting Standards No. 123, *Accounting for Stock Based Compensation*, (SFAS 123) is determined as if we had accounted for our employee and non-employee director stock options under the fair value method of SFAS 123. Pro forma fair value method amounts of compensation are not materially different from the intririnsic value method and hence are not disclosed because the fair value of the options was not material.

Employee Benefit Plans

We participated in Verizon benefit plans in 2001, and the period from January 1, 2002 to February 13, 2002. Under these plans, pension and postretirement health care and life insurance benefits earned during the year as well as interest on projected benefit obligations were accrued currently. Prior service costs and credits resulting from changes in plan benefits were amortized over the average remaining service period of the employees expected to receive benefits.

Cash

We consider all highly liquid investments of operating cash with original maturities of three months or less to be a cash or cash equivalent. Cash and cash equivalents include money market funds, commercial paper and various deposit accounts and are stated at cost, which approximates fair value.

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Trade Receivables

Trade receivables are recorded at net realizable value or the amount that we expect to collect on our gross customer trade receivables. We establish a general reserve based on historical experience, in addition to a reserve for specific receivables with known collection problems due to circumstances such as liquidity or bankruptcy. Collection problems are identified using an aging of receivables analysis based on invoice due dates. Items that are deemed uncollectible are written off against the allowance for collection losses. We do not require deposits or other collateral from our customers and hence we are at risk for all accounts receivable.

We charge interest on overdue receivables, but do not recognize interest income until collected. At December 31, 2002 and 2003, accounts receivable includes interest receivable totaling $2,927 and $3,900, respectively, related to finance charges to customers, but the entire amount is offset by a contra account.

Income Taxes

Syniverse LLC is treated as partnership for income tax purposes, and accordingly, partnership income or loss is passed through to the unitholders. However, Syniverse LLC owns all of the outstanding stock of Syniverse, Inc. which files a consolidated income tax return with its wholly-owned subsidiaries and therefore the accompanying financial statements include a provision for income taxes related to Syniverse Inc. and its subsidiaries using Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes.* Brience, Inc. will file a separate consolidated income tax return for periods prior to its acquisition by Syniverse LLC (see Note 5).

Property and Equipment, Net

Property and equipment consist primarily of hardware and software equipment necessary to operate our SS7 network, leasehold improvements and furniture in our headquarter facilities, which are recorded at cost and depreciated using the straight-line method over the estimated remaining lives.

The asset lives used are presented in the following table:

	Average Lives (In Years)
Equipment	5-10
Furniture and fixtures	6
Leasehold improvements	Shorter of term of lease or life of asset

When the depreciable assets are replaced, retired or otherwise disposed of, the related cost and accumulated depreciation are deducted from the respective accounts and any gains or losses on disposition are recognized in income.

Betterments, renewals and extraordinary repairs which increase the value or extend the life of the asset are capitalized. Repairs and maintenance costs are expensed as incurred.

Computer Software Costs

We capitalize the cost of internal-use software, which has a useful life in excess of one year in accordance with Statement of Position (SOP) No. 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*. Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed in the period in which they are incurred. Capitalized computer software costs are amortized using the straight-line method over a period of three years. Amortization of capitalized software costs included in depreciation and amortization in the consolidated statements of income was $7,186, $524, $9,801, and $11,007 for the periods 2001, January 1, 2002 to February 13, 2002, and February 14, 2002 to December 31, 2002, and December 31, 2003, respectively.

Deferred Costs

We amortize deferred financing costs, which are included in deferred costs on the accompanying consolidated balance sheet, using the effective interest method and record such amortization as interest expense. Amortization of debt discount and annual commitment fees for unused portions of available borrowings are also recorded as interest expense.

Deferred costs also include direct and incremental costs related to customer implementations of our number portability services, for which the revenues are also being deferred. These costs are being recognized over the same period as the revenues, which is the customer s initial contract term.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill acquired in a purchase business combination and determined to have an indefinite useful life is not amortized, but instead is tested for impairment at the reporting-unit level, at least annually, or more frequently if indicators of impairment arise, in accordance with the provisions of Statement of Financial Accounting Standards No. 142 (SFAS 142), *Goodwill and Other Intangible Assets.* A reporting unit is an operating segment or one level below an operating segment, referred to as a component. We have not identified any components within our single operating segment and, hence, have a single reporting unit for purposes of our goodwill impairment test.

Identifiable Intangible Assets

We amortize identifiable intangible assets with other than indefinite lives over their contractual or estimated useful lives using the straight-line method. As of December 31, 2002 and 2003, accumulated amortization totaled $13,282 and $28,545, respectively. There were no identifiable intangible assets prior to February 14, 2002.

Impairment Losses

We evaluate our depreciable and amortizable long-lived assets including property and equipment, capitalized software and amortizable identifiable intangible assets, for impairments under Statement of Financial Accounting Standards No. 144 (SFAS 144), *Accounting for the Impairment or Disposal of Long Lived Assets.* In accordance with SFAS 144, we utilize the three-step approach for recognizing and measuring the impairment of assets to be held and used. That is, (1) we consider whether indicators of impairment are present; (2) if indicators of impairment are present, we determine whether the sum of the estimated undiscounted future cash flows attributable to the long-lived asset in question is less than its carrying amount; and (3) if less, we recognize an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value. Fair value is estimated based on discounted future cash flows. Assets to be sold must be stated at the lower of the assets carrying amount or fair value and depreciation is no longer recognized. SFAS 144 was adopted on January 1, 2002. Prior to SFAS 144 s adoption, we accounted for impairments under Statement of Financial Accounting Standards No. 121 (SFAS 121), *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.*

Derivatives

Financial Accounting Standards Board Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities (SFAS 133)*, requires companies to recognize all of its derivative instruments as either assets or liabilities in the statement of financial position at fair value. To protect against interest rate risk, we acquired an interest rate cap during the year ended December 31, 2003. Because the interest rate cap did not meet the criteria for hedge accounting, all changes in fair value are immediately recognized in earnings (see Note 14).

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Comprehensive income

Accumulated other comprehensive income relates entirely to unrealized gains on available-for-sale securities. Accumulated unrealized gains on available-for-sale securities were $426 for the year ended December 31, 2003.

Available-for-Sale Securities

Our investments in equity securities are composed of a less than 10% ownership in a small publicly held company, and are categorized as available-for-sale as defined by Statement of Financial Accounting Standards (SFAS) No. 115, *Accounting for Certain Investments in Debt and Equity Securities* . These equity securities are included in other current assets in the accompanying consolidated balance sheets and are recorded at fair value based on quoted market prices. The cost of each equity security is determined primarily on a specific identification method. Unrealized holding gains and losses are reflected, net of income tax, as a separate component of accumulated other comprehensive income (loss). At December 31, 2003 and 2002, available-for-sale securities had a fair value of $426 and $0, respectively. Because the cost of these securities had previously been written off due to other-than temporary declines in value, the fair value of these securities reflects unrealized holding gains of $426 at December 31, 2003.

Foreign Currency Translation

In accordance with Statement of Financial Accounting Standard No. 52 (SFAS 52), *Foreign Currency Translation*, income and expense accounts of foreign operations are translated at the weighted average exchange rates during the year. Assets, including goodwill, and liabilities of foreign operations that operate in a local currency environment are translated to U.S. dollars at the exchange rates in effect at the balance sheet date, with the related translation gains or losses reported as a separate component of stockholders deficit.

Segment Reporting

For all periods reported, we operated as a single segment, since our chief operating decision maker decides resource allocations on the basis of our consolidated financial results. In the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, we derived 92.1%, 91.3%, 90.4% and 87.8%, respectively, of our revenues from customers in the United States.

Earnings Per Share

We do not present earnings per share since Syniverse LLC s units are not publicly traded and the calculation would be meaningless due to the small number of units outstanding.

Reclassifications

Certain prior year balances have been reclassified to conform to 2003 presentation. In 2003, we reclassified $78,434 of amounts from additional paid-in capital to the balance of Brience redeemable preferred stock on the December 31, 2002 balance sheet. This reclassification represented the excess of the preferred stock redemption amount over the amount originally paid for the preferred stock.

3. Recent Accounting Pronouncements

In January 2003, the FASB issued FASB Interpretation No. 46 *Consolidation of Variable Interest Entities.* This interpretation of Accounting Research Bulletin No. 51, *Consolidated Financial Statements,* (FIN 46) addresses consolidation by business enterprises of variable interest entities. Under current practice, two enterprises generally have been included in consolidated financial statements because one enterprise controls the other through voting interests. This interpretation defines the concept of variable interests and requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse the risks among the parties involved. This interpretation applies immediately to variable

interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. Nonpublic entities with an interest in an entity that is subject to this Interpretation and that is created after December 31, 2003, shall apply this Interpretation to that entity immediately. Nonpublic enterprises shall apply this Interpretation to all entities that are subject to this Interpretation by the beginning of the first annual period beginning after December 15, 2004. If it is reasonably possible that an enterprise will consolidate or disclose information about a variable interest entity when this interpretation becomes effective, the enterprise shall disclose information about those entities in all financial statements issued after January 31, 2003. The interpretation may be applied prospectively with a cumulative-effect adjustment as of the date on which it is first applied or by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated. We do not believe that FIN 46 has any impact on our financial statements currently. However, if we enter into certain types of transactions in the future, including special purpose entities, then consolidation of that entity might be required.

In April 2003, the FASB issued Statement No. 149, *Accounting for Amendment of Statement 133 on Derivative Instruments and Hedging Activities,* (SFAS 149). The Statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement 133. This Statement is effective for contracts entered into or modified after June 30, 2003. The adoption of this statement has not had a material impact on our financial statements.

In May 2003, the FASB issued Statement No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity,* (SFAS 150). This statement establishes standards for how an issuer classifies and measures financial instruments with characteristics of both liabilities and equity. This Statement is effective for financial instruments entered into or modified after May 31, 2003. The adoption of this statement has not had a material impact on our financial statements.

4. Acquisition of Syniverse

On February 14, 2002, Syniverse Inc. acquired Syniverse by merging its wholly owned subsidiary, TSI Merger Sub, Inc., with and into Syniverse (the acquisition). Pursuant to the merger agreement, Verizon Information Services Inc. received merger consideration equal to $770,000 in cash. Fees and expenses of approximately $37,300 were paid. A working capital adjustment of $1,400 was paid to Verizon in May 2002. Syniverse Inc. is a corporation formed by Syniverse LLC, which is owned by GTCR Fund VII, L.P., certain of its affiliates and co-investors, G. Edward Evans (Syniverse s chief executive officer) and certain other members of Syniverse s management. Syniverse is a leading provider of mission-critical transaction processing services to wireless telecommunications carriers throughout the world. As a result of the acquisition, the ultimate Parent expects to increase market share due to independence from Verizon.

The acquisition was funded as follows:

Equity contribution	$ 255,335
Cash held by Syniverse	25,000
Working capital adjustment paid in May 2002	1,400
Acquisition fees and expenses paid after closing using cash generated from operations	6,948
Senior credit facility	
Revolving credit facility	5,430
Term loan, net of discount	275,000
Senior Notes, net of discount	239,570
	$ 808,683

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The following table summarizes the fair values of the assets acquired and liabilities assumed at February 14, 2002, the date of the acquisition.

Cash and other current assets	$ 92,499
Property and equipment	35,049
Intangible assets not subject to amortization -	
Trademarks	51,700
Intangible assets subject to amortization (19 year weighted-average useful life)	
Software (11 year weighted-average useful life)	78,532
Contracts (4 year weighted-average useful life)	17,400
Customer Base (20 year weighted-average useful life)	216,600
Deferred financing costs	19,269
Goodwill	330,559
Total assets acquired	841,608
Current liabilities, excluding long-term debt	(62,940)
Restructuring	(3,333)
Long-term debt	(520,000)
Total liabilities assumed	(586,273)
Net assets acquired	$ 255,335

The acquisition was accounted for as a purchase in accordance with Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations*, and EITF 88-16, *Basis in Leveraged Buyout Transactions*.

The purchase accounting adjustments have been recorded in the condensed consolidated balance sheet as of February 14, 2002 and are reflected in all periods subsequent to February 13, 2002. The excess purchase price we paid over the fair market value of the tangible assets and liabilities of Syniverse as of the date of the acquisition was approximately $330,559 and is reflected as goodwill in the accompanying condensed consolidated balance sheet. The purchase price resulted in the recognition of goodwill due to additional value attributable to Syniverse s market share, enterprise product development capabilities and management team.

In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets*, the new intangible asset balance has been allocated between identifiable intangible assets and remaining goodwill. Goodwill will not be amortized, but is subject to an ongoing assessment for impairment. As a part of the transactions, we have elected for income tax purposes to treat the acquisition as an asset purchase resulting in a step-up in tax basis equal to the new book basis. As a result, all deferred taxes were eliminated in purchase accounting. Goodwill is being deducted for tax purposes over a 15-year period beginning February 14, 2002.

The fair values of certain of the tangible and all of the intangible assets acquired were determined by the Company with the assistance of American Appraisal Associates, a third-party appraisal firm. A cost approach was used for valuing the tangible assets. An income valuation approach using the discounted future cash flows method was used for valuing the customer contract related to the Verizon guaranty agreement and customer base, the relief from royalty method for valuing the trademark and either relief of royalty or replacement cost methods for valuing the capitalized software. The valuations considered historical financial results and trends, our historical customer renewal rates, and known or expected customer attrition in determining the assigned values and useful lives.

The estimated future cash flows for the Verizon customer contract, customer base, trademark and capitalized software were discounted using a weighted average cost of capital between 15.5% and 17.0%. The weighted average cost of capital was based upon an analysis of the weighted average cost of capital for guideline companies within the technology industry. The useful lives of the intangible assets were based on the period over which we expect these assets to contribute directly or indirectly to the future cash flows. Our historical customer attrition rate, which historically has been low, and known or expected customer losses were considered in the

determination of the useful life of the customer base. Our historical lifecycle trends, legal and contractual obligations as well as technological advances were considered in the determination of the useful lives of the capitalized software. The life of the Verizon customer contract was used as its useful life.

The unaudited pro forma results presented below include the effects of the acquisition as if it had been consummated at the beginning of year and the period prior to acquisition. Pro forma adjustments arise due to the asset revaluation and debt incurred. The unaudited pro forma financial information below is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisition been consummated at the beginning of the year prior to acquisition.

	Predecessor	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002
Pro Forma:		
Revenues	$ 361,358	$ 39,996
Net income	25,464	1,133
Net income (loss) attributable to common unitholders	$ 227	$ (1,909)

5. Acquisition of Brience

On July 23, 2003, we acquired Brience by merging Brience with and into Syniverse Brience, a newly formed wholly owned subsidiary of Syniverse Networks with Syniverse Brience continuing as the surviving entity and a wholly owned subsidiary of Syniverse Networks. Historically, Brience developed and sold information access and integration software products to large enterprises. At the time of the merger, however, Brience s business was limited to selling and servicing its Mobile Processing Server product.

As a result of the merger, each share of Series C Preferred Stock of Brience outstanding as of the effective time of the merger was converted into a right to receive a pro rata share of 1.67 shares of Class B Common Stock, par value $.01 per share (the merger consideration), of Syniverse Networks, under the terms and subject to the conditions set forth in the merger agreement. All other outstanding classes of stock of Brience were canceled and retired with no right to payment under the terms of the merger agreement. Concurrent with the merger, the holders of Series C Preferred Stock other than GTCR Fund VII, L.P. and GTCR Co-Invest, L.P. entered into an exchange agreement with Syniverse LLC pursuant to which such parties (the exchanging parties) exchanged all of the merger consideration received by the exchanging parties in the merger in exchange for a pro rata portion of 19,775.01 Common Units of Syniverse LLC. Also concurrent with the merger, GTCR Fund VII, L.P. and GTCR Co-Invest, L.P. (the investors) entered into a contribution agreement pursuant to which the investors agreed to contribute to Syniverse LLC all of the merger consideration received by the investors in the merger in exchange for a pro rata portion of 80,224.99 Common Units of Syniverse LLC.

At the time of the merger, GTCR Fund VII, L.P. and GTCR Co-Invest, L.P. collectively were majority owners of Brience and owned approximately 64% of the outstanding common stock of Brience on a fully diluted basis. GTCR Fund VII, L.P. and GTCR Co-Invest, L.P. collectively own approximately 52% of the outstanding common units of Syniverse LLC and their affiliate, GTCR Fund VII/A, L.P., owns approximately 26% of the common units of Syniverse LLC. Since funds associated with GTCR had a controlling interest in both Brience and Syniverse LLC at the time of the merger, the transaction is accounted for as a combination of entities under common control, similar to a pooling of interests, whereby the assets and liabilities of Brience were combined at their historical amounts as of the date that GTCR had control of both

entities (February 14, 2002). For historical accounting purposes, the historical financial results of Brience have only been combined for the periods during which Syniverse LLC and Brience were under common control of funds associated with GTCR. Accordingly, our historical consolidated financial statements have been restated to include the financial results of Brience beginning on the date when funds associated with GTCR had common control of both entities (February 14,

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2002). For the minority interest of Brience not owned by GTCR affiliates at the time of the combination, purchase accounting has been applied. However, the effects of the fair value adjustments relating to this purchase accounting were deemed to be insignificant, and therefore, recorded at zero for purposes of these financial statements.

The accompanying financial statements for the period beginning February 14, 2002 have been restated to give effect to the combination, accounted for similar to a pooling of interests.

6. Acquisition of Softwright Holdings Limited

On December 19, 2003, we acquired for cash the outstanding stock of Softwright Holdings Limited. Softwright develops licensed software products and services for mobile operators and enterprise customers in Europe. Softwright s product portfolio focuses on number portability, technical support and hosting services, and other advanced technology solutions. Pursuant to the purchase agreement, we paid consideration equal to $775 in cash including acquisition costs of $156. Preliminary estimates of the fair value of liabilities assumed in connection with the acquisition totaled approximately $1,268. Total assets, which were recorded at preliminary estimates of fair value, related to the acquisition were approximately $2,043, including goodwill of approximately $704, customer contracts of $520 and capitalized software of $273. The acquisition was accounted for as a purchase in accordance with Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations,* and is included in our results of operations from the date of the acquisition.

Under the terms of the acquisition agreement, we agreed to make an additional payment not to exceed 2.0 million British pounds to the former owners of the acquired company no later than March 31, 2005 if this operation achieves a certain pre-determined profitability as measured by EBITDA (earnings before interest, taxes, depreciation and amortization). No amounts have been accrued for this additional earn-out as, of December 31, 2003.

7. Concentration of Business

Financial instruments that subject us to concentrations of credit risk are limited to our trade receivables from major customers. We generated revenues from services provided to Verizon and its predecessors of $122,397, $15,838, $87,989, and $62,866 for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, respectively. No other customer represented more than 10% of revenues in the year ended December 31, 2001, the periods from January 1, 2002 to February 13, 2002, and February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, although a significant amount of our remaining revenues was generated from services provided to a small number of other wireless providers.

8. Fair Value of Financial Instruments

Cash, receivables, accounts payable and revolving line of credit are reflected in the financial statements at their carrying value, which approximate their fair value due to the short maturity.

Available-for-sale securities are carried at fair value based on quoted market prices and are included in other current assets in the accompanying consolidated balance sheets. The cost of each equity security is determined primarily on a specific identification method. Unrealized holding gains and losses are reflected, net of income tax, as a separate component of accumulated other comprehensive income (loss). At December 31, 2003 and 2002, available-for-sale securities had a fair value of $426 and $0, respectively. Because the cost of these securities had previously been written off due to other-than temporary declines in value, the fair value of these securities reflects unrealized holding gains of $426 at December 31, 2003.

The estimated fair values of our Term Note B and Subordinated Notes are based on prices prevailing in the market.

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The carrying amounts and fair values of our long-term debt as of December 31, 2002 and 2003 are as follows:

	December 31, 2002		December 31, 2003	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Term Note B	$ 264,343	$ 258,850	$ 208,338	$ 216,005
Subordinated Notes	240,257	218,050	241,037	268,581

9. Property and Equipment

Property and equipment, net consist of the following:

	December 31, 2002	December 31, 2003
Equipment	$ 42,042	$ 49,700
Furniture and fixtures	1,630	2,314
Leasehold improvements	1,707	1,699
	45,379	53,713
Accumulated depreciation and amortization	(11,651)	(20,165)
Total	$ 33,728	$ 33,548

Depreciation expense related to property and equipment was $8,017, $940, $10,201 and $11,049 for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, respectively.

10. Capitalized Software

Capitalized software development costs, net consist of the following:

	December 31, 2002	December 31, 2003

Software	$ 83,712	$ 87,958
Accumulated depreciation and amortization	(9,798)	(20,305)
Total	$ 73,914	$ 67,653

We recognized impairment charges of $2.7 million in 2003 primarily related to the discontinuation of prepaid wireless services. The carrying value was determined by discounted cash flow analysis. These impairment charges are classified in the caption Impairment losses on intangible assets in the consolidated statement of operations.

Amortization expense related to capitalized software was $7,186, $524, $9,801 and $11,007 for the year ended December 31, 2001, the period from January 1, 2002 to February 13, 2002, the period from February 14, 2002 to December 31, 2002, and the year ended December 31, 2003, respectively.

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11. Identifiable Intangible Assets

Identifiable intangible assets consist of the following:

	December 31, 2002	December 31, 2003
Indefinite lived intangible assets		
Trademark	$ 51,700	$ 685
Definite lived intangible assets		
Customer contracts	17,400	17,920
Less accumulated amortization	(3,806)	(8,215)
Customer contract, net	13,594	9,705
Customer base	216,600	216,600
Less accumulated amortization	(9,476)	(20,330)
Customer base, net	207,124	196,270
Total intangibles	$ 272,418	$ 206,660

In the fourth quarter of 2003, after consulting with and hiring a brand identity firm to develop a new company name, we recognized an impairment loss of $51,015 and defined the life of the asset related to the TSI Telecommunication Services Inc. trademark, which we determined would end during the first quarter of 2004, when the new name was expected to be introduced. On March 1, 2004, we announced the re-naming and re-branding of our company as Syniverse Technologies, Inc. We believe our new name will enable us to establish a stronger brand and identity in the marketplace. The carrying value of the remaining trademark intangible was determined by discounted cash flow analysis and will be fully amortized by the end of the first quarter of 2004, when we expect the new name to be introduced. The remaining intangible of $685 will be amortized in the first quarter of 2004. The impairment charge is classified in the caption Impairment losses on intangible assets in the consolidated statement of operations.

Definite lived intangible assets are amortized over their useful lives, which are 4 years for the Verizon contract and 20 years for customer base. Amortization expense related to identifiable intangibles was $13,282 and $15,263 for the period from February 14, 2002 to December 31, 2002 and for the year ended December 31, 2003, respectively. Expected amortization expenses for each of the next five years are the following: 2004 $15,366, 2005 $15,366, 2006 $11,325, 2007 $10,958, and 2008 $10,958.

12. Leasing Arrangements

We lease certain facilities, equipment and an aircraft for use in our operations, all of which are operating leases. Total rent expense under operating leases amounted to $3,087 in 2001, $394 for the period January 1, 2002 to February 13, 2002, $5,763 for the period February 14, 2002 to December 31, 2002, and $5,809 in 2003. These leases contain various renewal options that could extend the terms of the leases beyond 2009.

Effective March 1, 2002, we entered into an operating lease for the use of an executive aircraft. The lease is for seven years, ending March 1, 2009, and requires monthly payments plus actual expenses for maintenance, fuel and other usage related charges. We have an option to purchase the aircraft 36 months after the commencement date of the lease at a price of $6,650. Our CEO and one of his affiliates is entitled to use the aircraft and an affiliate entity owned by the CEO will pay 25% of the monthly lease and other fixed costs for the aircraft and will reimburse us for all operating costs of the aircraft in connection with such use. Effective January 1, 2003, our CEO is required to pay for the actual use of the aircraft related to the affiliate entity. As of December 31, 2002 and 2003, $274 and $159, respectively, was owed to us under this arrangement. These amounts have been paid. Amounts incurred, net of the estimated amount due from our CEO, are included in rent expense above.

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As of December 31, 2003, the aggregate future minimum lease commitments under all of these leases are as follows:

Year ended December 31, 2004	$ 5,722
Year ended December 31, 2005	5,425
Year ended December 31, 2006	4,771
Year ended December 31, 2007	1,516
Year ended December 31, 2008	1,052
Thereafter	262
	$ 18,748

13. Debt

As a part of the financing of the acquisition described in Note 4 above, Syniverse entered into various debt agreements all of which are guaranteed by Syniverse LLC, Syniverse Inc., Syniverse Finance and Syniverse Networks. The following are the amounts outstanding at December 31, 2002 and 2003:

	December 31, 2002	December 31, 2003
Term note due December 2006, interest payable quarterly, principal payable quarterly beginning September 2002 - net of discount of $13,990 and $7,937, respectively (a)	264,343	208,338
$245,000 Senior Notes due February 2009, bearing interest at 12.75%, interest payable semi-annully beginning August 2002, principal payable upon maturity net of discount of $4,743 and $3,963, respectively (b)	240,257	241,037
Total	504,600	449,375
Less current portion	(52,736)	(33,589)
Long-term debt	$ 451,864	$ 415,786

(a) The senior credit facility provides for aggregate borrowings by Syniverse of up to $328,333 maturing December 2006 (with net proceeds to us on February 14, 2002 of up to $310,000) as follows:

a revolving credit facility of up to $35,000 in revolving credit loans and letters of credit; available for general corporate purposes including working capital, capital expenditures and acquisitions (funding for acquisitions from the revolving credit facility is limited to an aggregate amount of $15,000. The outstanding balance of the revolving line of credit is $0 as of December 31, 2002 and 2003; and

a term loan B facility of $293,333 in term loans. Principal outstanding as of December 31, 2003 and 2002 was $216,275 and $278,333, respectively.

The revolving line of credit and the term note each bear interest at variable rates, at Syniverse s option:

a base rate generally defined as the sum of (i) the higher of (x) the prime rate (as quoted on the British Banking Association Telerate Page 5) and (y) the federal fund effective rate, plus one half percent (0.50%) per annum) and (ii) an applicable margin (initially 3.50%); or

a LIBOR rate generally defined as the sum of (i) the rate at which eurodollar deposits for one, two, three or six months and, if available to the lenders under the applicable credit facility, nine or twelve months (as selected by Syniverse) are offered in the interbank eurodollar market and (ii) an applicable margin (initially 4.50%).

In March 2003, we entered into an interest rate protection agreement that effectively caps the LIBOR exposure of $100 million of our senior credit facility at 3.0% for a period of two years. As a result of this interest rate protection agreement, approximately 75% of funded debt now bears interest that is effectively fixed as to rate.

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The term loan B facilities are subject to equal quarterly installments of principal as set forth in the table below:

Year	Term Loan B
2004	$ 37,222
2005	44,026
2006	135,027
Total	$ 216,275

Voluntary prepayments of principal outstanding under the revolving loans are permitted at any time without premium or penalty, upon the giving of proper notice. In addition, Syniverse is required to prepay amounts outstanding under the senior credit facility in an amount equal to:

100% of the net cash proceeds from any sale or issuance of equity by Syniverse LLC or any of its direct or indirect subsidiaries, subject to certain baskets and exceptions;

100% of the net cash proceeds from any incurrence of additional indebtedness (excluding certain permitted debt);

100% of the net cash proceeds from any sale or other disposition by Syniverse LLC, or any of its direct or indirect subsidiaries of any assets, subject to certain reinvestment provisions and excluding certain dispositions in the ordinary course; and

100% of excess cash flow prior to March 11, 2004 and 75% thereafter, as defined, for each fiscal year. At December 31, 2002 and 2003, we have classified $37,725 and $2,979, respectively, as current representing the excess cash flow prepayment required, as described above.

In addition, any prepayment of the term loan B facility (other than from excess cash flow) shall be accompanied by a prepayment premium equal to 2.00% of the principal amount of such prepayment (if such prepayment is made on or prior to the first anniversary of the closing date) and 1.00% of the principal amount of such prepayment (if such prepayment is made after the first anniversary of the closing date and through the second anniversary of the closing date).

Syniverse is required to pay a commitment fee on the difference between committed amounts and amounts actually utilized under the revolving credit facility, which is 0.50% per annum. We incurred $149 and $178 in commitment fees in the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, respectively.

Under the terms of the senior credit facility at least 45% of our funded debt must bear interest that is effectively fixed. To that extent, we may be required to enter into interest rate protection agreements establishing a fixed maximum interest rate with respect to a portion of our total indebtedness. As of December 31, 2002 and 2003, we were not required to enter into interest rate protection agreements.

The loans and other obligations under the senior credit facility are guaranteed by Syniverse LLC, Syniverse Inc., and each of Syniverse LLC s direct and indirect subsidiaries (other than certain foreign subsidiaries).

Our obligations under the senior credit facility and the guarantees are secured by:

- a perfected first priority security interest in all of our tangible and intangible assets and all of the tangible and intangible assets of Syniverse LLC and each of its direct and indirect subsidiaries, subject to certain customary exceptions, and

- a pledge of (i) all of the capital stock of Syniverse Inc. owned by Syniverse LLC, all of our capital stock and that of any of Syniverse LLC s direct and indirect domestic subsidiaries and (ii) two-thirds of the capital stock of certain first-tier foreign subsidiaries, if any.

On September 25, 2003, we entered into the First Amendment to Credit Agreement (the First Amendment) with our lenders (Term Note B and Revolving Credit) signatory thereto and Lehman Commercial Paper Inc.,

as administrative agent for the lenders (the Agent). The First Amendment amends our senior credit facility covenants by (i) increasing the maximum consolidated leverage and consolidated senior debt ratios, (ii) reducing the minimum consolidated interest coverage ratios beginning with the third and fourth fiscal quarters of 2003 and the four fiscal quarters of 2004, 2005 and beyond and (iii) reducing the minimum consolidated fixed charge coverage ratio. In addition, the First Amendment increases the permitted level of capital expenditures for fiscal years 2004 and 2005. The First Amendment also evidences the agreement of the lenders that, notwithstanding any contrary accounting treatment under GAAP necessitated by the acquisition of Brience on July 23, 2003, the consolidated net income and consolidated EBITDA of Brience prior to July 23, 2003 will be excluded from any determination of consolidated net income or consolidated EBITDA of Syniverse LLC and its subsidiaries for purposes of our senior credit facility.

On March 11, 2004, we entered into the Second Amendment (the Second Amendment) with our lenders (Term Loan B and Revolving Credit) signatory thereto and Lehman Commercial Paper Inc., as administrative agent for the lenders (the Agent). The Second Amendment amends our senior credit facility by (i) providing for the incurrence under our senior credit facility of new Additional Tranche B Term Loans, which will refinance, in full, all remaining outstanding Tranche B Term Loans and (ii) reduces the percentage of Excess Cash Flow which must be applied to prepay the loans to 75%. The Applicable Margin with respect to Additional Tranche B Term Loans is 2.5% for Base Rate Loans and 3.5% for Eurodollar Loans.

(b) The Subordinated Notes are general unsecured obligations of Syniverse, and are unconditionally guaranteed by Syniverse Inc. and Syniverse LLC, and each of the domestic subsidiaries of Syniverse. At any time prior to February 1, 2005, Syniverse may on any one or more occasions redeem up to 35% of the aggregate principal amount of notes issued under the indenture (including additional notes, if any) at a redemption price of 112.75% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to the redemption date, with the net cash proceeds of one or more equity offerings by Syniverse or a contribution to Syniverse s common equity capital made with the net cash proceeds of a concurrent equity offering by Syniverse Inc. or Syniverse LLC (but excluding any Excluded Capital Contribution, as defined, and any Reserved Contribution, as defined) provided that:

At least 65% of the aggregate principal amount of notes issued under the indenture (including additional notes, if any) remains outstanding immediately after the occurrence of such redemption; and

The redemption occurs within 60 days of the date of the closing of such equity offering.

Except pursuant to the preceding paragraph, the notes will not be redeemable at Syniverse s option prior to February 1, 2006. After February 1, 2006, Syniverse may redeem all or a part of the notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount), set forth below plus accrued and unpaid interest and liquidated damages, if any, on the notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

Year	Percentage
2006	106.375%
2007	103.188%
2008	100.000%

Syniverse is not required to make mandatory redemption or sinking fund payments with respect to the notes.

The notes contain various other provisions in the event of a change in control or asset sales, and they also contain certain covenants related to dividend payments, equity repurchases, debt repurchases, restrictions on investments, incurrence of indebtedness, issuance of preferred stock,

sale and leaseback transactions, and require the maintenance of certain financial conditions related to leverage ratios.

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14. Derivatives

The portion of the interest rate associated with our term loan B that is based on the three month LIBOR rate is subject to variability. To protect against interest rate risk, we acquired an interest rate cap agreement during the year ended December 31, 2003. The cap has a term of two years, a notional amount of $100,000 and provides an interest rate cap of 3%. We paid a premium of $390 to obtain the cap and any amounts due to us as a result of LIBOR exceeding the strike rate are to be paid quarterly. As of December 31, 2003, the fair value of the cap was $34, and this is reflected as an asset within other current assets in the accompanying consolidated balance sheet. The decline in fair value associated with the cap has been recorded as interest expense in the income statement for the period ended December 31, 2003.

15. Unitholders Interests

The Ultimate Parent is organized as a limited liability company under the laws of Delaware.

The ownership interests in Syniverse LLC consist of Class A Preferred Units, Class B Preferred Units and Common Units. Holders of the Class A Preferred Units and Class B Preferred Units have no voting rights except as required by law. The holders of the Common Units are entitled to one vote per unit on all matters to be voted upon by the unitholders of Syniverse LLC.

The Class A Preferred Units are entitled to a cumulative preferred yield of 10.0% per annum, compounded quarterly. Class A Preferred Units may be used as consideration for the repurchase by Syniverse LLC of Class B Preferred Units and Common Units held by members of our management team who cease to be employed by Syniverse LLC, Syniverse Inc. or their respective subsidiaries. At December 31, 2002 and 2003, no Class A Preferred Units were outstanding.

The Class B Preferred Units are entitled to an annual cumulative preferred yield of 10.0%, compounded quarterly. At December 31, 2002 and 2003, there were 252,367.50 of Class B Preferred Units outstanding. For the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, undeclared and unpaid preferred dividends totaled $22,952 and $51,535, respectively. These amounts are not recorded as liabilities until declared.

The Common Units represent the common equity of Syniverse LLC. At December 31, 2002 and 2003, there were 88,828,859 and 90,505,405 Common Units outstanding, respectively.

Pursuant to the limited liability company agreement, distributions of property of Syniverse LLC shall be made in the following order:

First, holders of Class A Preferred Units, if any, will receive a preferred yield on their invested capital of 10% per annum, compounded quarterly;

Second, holders of Class A Preferred Units, if any, will receive a return of their invested capital;

Third, holders of Class B Preferred Units will receive a preferred yield on their invested capital of 10% per annum, compounded quarterly;

Fourth, holders of Class B Preferred Units will receive a return of their invested capital; and

Thereafter, holders of the Common Units will receive all remaining distributions.

Under the purchase agreements entered into in connection with the acquisition, the GTCR investors and certain co-investors acquired a strip of Class B Preferred Units and Common Units and committed to purchase up to an additional $25,000 of equity securities of Syniverse LLC. The investment of the additional $25,000 is conditioned upon the GTCR investors and the board of managers of Syniverse LLC approving the terms of the investment and the proposed use of the proceeds from the investment, as well as the satisfaction of certain other conditions.

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16. Redeemable Preferred Stock of Brience

The following is a summary of Brience s series of redeemable preferred stock and the amounts authorized and outstanding as of December 31, 2002. All series were canceled as part of Syniverse s acquisition of Brience, described in Note 5.

Description	December 31, 2002
Series A redeemable preferred stock-$.01 par value, 8,663,355 shares authorized and 7,463,355 issued and outstanding; liquidation preference of $50,000	$ 50,000
Series A-1 redeemable preferred stock-$.01 par value, 676,791 shares authorized and 676,791 issued and outstanding; liquidation preference of $4,029	4,029
Series B redeemable preferred stock-$.01 par value, 1,545,414 shares authorized and 1,545,413 issued and outstanding; liquidation preference of $9,200	9,200
Series B-1 redeemable preferred stock-$.01 par value, 870,969 shares authorized and 840,192 issued and outstanding; liquidation preference of $5,629	5,629
Series C redeemable preferred stock-$.01 par value, 2,700,000 shares authorized and 1,447,205 issued and outstanding; liquidation preference of $9,695	9,695
Total	$ 78,553

Each holder of outstanding preferred stock was entitled to receive each fiscal year, when, as and if declared by the Board of Directors, out of any assets at the time legally available therefor, a dividend at the rate of 6% per annum on the aggregate liquidation value thereof. Such dividends were payable only when, as and if declared by the Board of Directors and were noncumulative. No dividends were ever declared by the Brience Board of Directors.

In the event that that Brience declared or paid any dividends upon the common stock (whether payable in cash, securities or other property) other than dividends payable solely in shares of common stock, Brience was required to also declare and pay to the holders of the preferred stock at the same time that it declared and paid such dividends to the holders of the common stock, the dividends which would have been declared and paid with respect to its common stock issuable upon conversion of the preferred stock had all of the outstanding preferred stock been converted immediately prior to the record date for such dividend, or if no record date was fixed, the date as of which the record holders of common stock entitled to such dividends were to be determined.

Upon any liquidation, dissolution or winding up of Brience (whether voluntary or involuntary), each holder of preferred stock was to be paid in the following order:

First, holders of Series C Preferred Stock were to receive an amount in cash equal to the aggregate liquidation value of all shares of Series C Preferred Stock held by such holders, plus all declared and unpaid dividends thereon;

Second, holders of Series B Preferred Stock and Series B-1 Preferred Stock were to receive an amount in cash equal to the aggregate liquidation value of all shares of Series B Preferred Stock and Series B-1 Preferred Stock held by such holders, plus all declared and unpaid dividends thereon;

Third, holders of Series A Preferred Stock and Series A-1 Preferred Stock were to receive an amount in cash equal to the aggregate liquidation value of all shares of Series A Preferred Stock and Series A-1 Preferred Stock held by such holders, plus all declared and unpaid dividends thereon; and

Thereafter, all of the remaining assets of Brience available for distribution to stockholders were to be distributed among the holders of preferred stock and common stock pro rata based on the number of shares of common stock held by each (assuming full conversion of all such shares of preferred stock).

The holders of preferred stock were entitled to vote on all matters submitted to the stockholders for a vote together with the holders of the common stock voting together as a single class with each share of common stock entitled to one vote per share and each share of preferred stock entitled to one vote for each share of common stock issuable upon conversion of such share of preferred stock at the time the vote was taken.

At any time after January 1, 2007, the holders of a majority of the outstanding preferred stock (voting together as a single class) could have requested redemption of all of the outstanding shares of preferred stock by delivering written notice of such request to Brience. For each share of preferred stock which was to be redeemed, Brience would have been obligated on each redemption date to pay to the holder an amount in immediately available funds equal to the liquidation value of such share (plus all declared and unpaid dividends).

At any time, holders of preferred stock could have converted all or any portion of their preferred stock into a number of shares of Brience common stock computed by multiplying the number of shares to be converted by $6.6994 for Series A, B-1 and C Preferred Stock, and $5.9531 for Series A-1, and B Preferred Stock, and dividing the result by the conversion price then in effect.

In 2003, we reclassified $78,434 of amounts from additional paid-in capital to the balance of Brience redeemable preferred stock on the December 31, 2002 balance sheet. This reclassification represented the excess of the preferred stock redemption amount over the amount originally paid for the preferred stock.

17. Stock Options

Syniverse Inc. (Successor)

On May 16, 2002, Syniverse Inc. s Board of Directors adopted a Founders Stock Option Plan for non-employee directors, executives and other key employees of Syniverse Inc. In addition, the Board of Directors adopted a Directors Stock Option Plan on August 2, 2002, which provides for grants to independent directors to purchase 50,000 shares upon election to the board. The plans have a term of five years and provide for the granting of options to purchase shares of Syniverse Inc. s non-voting common stock.

Under the plans, the options have or will have an initial exercise price based on the fair value of each share, as determined by the Board. The per share exercise price of each stock option is not less than the fair market value of the stock on the date of the grant or, in the case of an equity holder owning more than 10% of the outstanding stock of Syniverse Inc., the price for incentive stock options is not less than 110% of such fair market value. The Board of Syniverse Inc. reserved 1,000,000 shares of non-voting common stock, par value $.001 per share for issuance under the Founders plan and 300,000 shares under the Directors plan. As of December 31, 2003, there were options to purchase 293,750 shares outstanding under the Founder s Stock Option Plan and options to purchase 100,000 shares outstanding under the Directors Stock Option Plan.

All options to be issued under the plans shall be presumed to be nonqualified stock options unless otherwise indicated in the option agreement. Each option will have exercisable life of no more than 10 years from the date of grant for both nonqualified and incentive stock options in the case of grants under the Founders Stock Option Plan and under the Directors Stock Option Plan. Vesting will vary by grant and will be indicated in the option agreement.

The following table summarizes the transactions for the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003 relating to the combined Founders Option Plan and Non-Employee Directors Plan:

	Number of Shares Subject to Option	Per Share Exercise Price
Outstanding, February 14, 2002		
Granted	371,300	$ 5.00
Exercised		
Canceled/Forfeited	(26,600)	5.00
Outstanding, December 31, 2002	344,700	5.00
Granted	96,300	5.00
Exercised		
Canceled/Forfeited	(47,250)	5.00
Outstanding, December 31, 2003	393,750	$ 5.00
Exercisable at December 31, 2003	87,200	$ 5.00

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No options were exercisable at December 31, 2002.

We account for these plans and related grants thereunder using the intrinsic value method prescribed in APB Opinion No. 25, *Accounting for Stock Issued to Employees* . However, pro forma information, for disclosure purposes, regarding net income and earnings per share as required by Statement of Financial Accounting Standards No. 123, *Accounting for Stock Based Compensation* , (SFAS 123) is determined as if we had accounted for our employee and non-employee director stock options under the fair value method of SFAS 123.

Outstanding options as of December 31, 2003 and 2002 had a weighted average remaining contractual life of 8.7 and 9.4 years, respectively. The per share weighted average fair value of options granted during the years ended December 31, 2003, was negligible.

Pro forma information regarding net income and earnings per share is required by SFAS 123, which also requires that the information be determined as if we had accounted for its employee stock options granted subsequent to December 31, 1994 under the fair value method set forth in SFAS 123. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	December 31, 2002	December 31, 2003
Risk-free interest rate	4.93%	4.30%
Volatility factor		
Dividend yield		
Weighted average expected life of options	5	5

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Since Syniverse, Inc. s common stock does not trade on public markets, a volatility of 0% was entered into the Black-Scholes option valuation model. Because our stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management s opinion, the existing models do not necessarily provide a reliable single measure of the fair value of our employee stock options. Our pro forma amounts are not materially different from the reported net income amounts and hence are not disclosed.

Verizon Stock Incentive Plans (Predecessor)

We participated in Verizon s stock-based compensation plans that include a fixed stock option plan. GTE options were granted separately or in conjunction with stock appreciation rights (SARs). The granting of SARs was discontinued prior to 1999. We have recognized no compensation expense for our fixed stock option plans. If we had elected to recognize compensation expense based on the fair value at the grant dates for 1998 and subsequent fixed and performance-based plan awards consistent with the provisions of SFAS No. 123, net income would have been changed to the pro forma amounts indicated below:

	Year Ended December 31, 2001	Period from January 1 to February 13, 2002
Net income:		
As reported	$ 69,258	$ 6,917
Pro forma	66,150	6,621

These results may not be representative of the effects on net income for future years.

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We determined the pro forma amounts using the Black-Scholes option-pricing model based on the following weighted-average assumptions:

	December 31, 2001	Period from January 1 to February 13, 2002
Dividend yield	2.75%	2.75%
Expected volatility	29.07%	29.07%
Risk-free interest rate	4.80%	4.80%
Expected lives (in years)	6	5

The weighted-average value per share of options granted during 2001 was $15.20. No options were granted under this plan in the period ended February 13, 2002.

Stock Options of Brience

Brience adopted the 2000 Stock Plan under which incentive stock options and nonstatutory stock options aggregating 15 million shares may have been granted to employees, directors and consultants of Brience. The number of authorized shares was reduced to 4 million during 2002. The exercise price was required to be at least 100 percent of the fair market value on the date of grant. Options generally expired in 10 years. Options were immediately exercisable, but shares so purchased vested over periods determined by the Board of Directors, generally five years. Upon termination of employment, Brience could have repurchased unvested shares for the original purchase price. Brience had a loan program whereby all employees with options were able to exercise their options with the aid of a company-sponsored full recourse loan. Interest on the loans was due annually and the principal balance was due approximately two years after the date of the loan. These loans were offered at the applicable prescribed federal rate for the month of the commencement of the loan. No new loans were entered into during the year ended December 31, 2002 and 2003. At December 31, 2002 and 2003, Brience had $312 and $0, respectively, in notes receivable from employees related to these loans.

The following table summarizes the stock option plan activity.

	Shares Available for Grant	Options Outstanding	Weighted Average Exercise Price
Outstanding, February 14, 2002	1,508,729	2,491,271	$ 0.95
Authorized			
Granted			
Exercised			
Canceled		(1,269,753)	0.95
Other			
Outstanding, December 31, 2002	1,508,729	1,221,518	$ 0.95
Vested and excercisable at end of period		497,735	$ 0.95

Outstanding, January 1, 2003	1,508,729	1,221,518	$ 0.95
Authorized			
Granted			
Exercised			
Canceled	(1,508,729)	(1,221,518)	0.95
Other			
Outstanding, December 31, 2003			$
Vested and excercisable at end of period			$

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The following table summarizes the options outstanding at December 31, 2002.

	Options Outstanding			Options Vested and Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Years	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$0.95	1,221,518	9.13	$ 0.95	497,735	$ 0.95

No options were outstanding or exercisable at December 31, 2003.

We account for these plans and related grants thereunder using the intrinsic value method prescribed in APB Opinion No. 25, *Accounting for Stock Issued to Employees*. However, pro forma information, for disclosure purposes, regarding net income and earnings per share as required by Statement of Financial Accounting Standards No. 123, *Accounting for Stock Based Compensation*, (SFAS 123) is determined as if we had accounted for our stock options under the fair value method of SFAS 123.

The per share weighted average fair value of options granted during the year ended December 31, 2002, was negligible.

Pro forma information regarding net income and earnings per share is required by SFAS 123, which also requires that the information be determined as if we had accounted for its employee stock options granted subsequent to December 31, 1994 under the fair value method set forth in SFAS 123. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	December 31, 2002
Risk-free interest rate	5.00%
Volatility factor	1
Dividend yield	
Weighted average expected life of options	10

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Since Brience s common stock did not trade on public markets, a volatility of 1.0% was entered into the Black-Scholes option valuation model. Because our stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management s opinion, the existing models do not necessarily provide a reliable single measure of the fair value of our employee stock options. Our pro forma amounts are not materially different from the reported net income amounts and hence are not disclosed.

18. Restructurings

As a part of the Syniverse acquisition in February 2002, we developed a restructuring plan to react to competitive pressures and to increase operational efficiency. The plan included the termination of approximately 78 employees in Tampa and Dallas, or 6% of our workforce and the closure of the Dallas office. As a result, we accrued $3,333 of expenses in relation to this plan as of February 14, 2002 including $2,948 for severance related to the reduction in workforce and $385 for costs to relocate employees added as a part of the restructuring. All charges were recognized in purchase accounting.

On August 29, 2002, we completed a restructuring plan resulting in the termination of 73 employees or approximately 10% of our workforce. As a result, we accrued $2,845 in severance related costs in August. The payments related to this restructuring were completed in May 2003.

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On February 28, 2003, we completed a restructuring plan resulting in the termination of 71 employees or approximately 10.6% of our workforce. As a result, we accrued $1,841 in severance related costs in February 2003. The payments related to this restructuring were completed in November 2003.

On July 23, 2003, we completed a restructuring plan in connection with our acquisition of Brience resulting in the termination of 5 employees. As a result, we incurred $607 in severance related costs in July 2003. The payments related to this restructuring were incurred through September 2003. We expect this reorganization to result in reduced annual expenses of approximately $800. Further restructuring may be necessary in light of current economic conditions.

In connection with the Softwright Holdings Limited acquisition in December 2003, we began to formulate a restructuring plan for the elimination of redundant positions. As a result of this plan, we recognized $93 of employee termination benefits as liabilities in our purchase accounting in accordance with Emerging Issues Task Force Issue No. 95-3 (EITF 95-3), *Recognition of Liabilities in Connection with a Purchase Business Combination.*

For the year ended December 31, 2002, we had the following activity in our restructuring accruals:

	Feb 14, 2002 Balance	Additions	Payments	Reductions	December 31, 2002 Balance
February 2002 Restructuring Termination costs	$ 3,333	$	$ (2,200)	$ (666)	$ 467
August 2002 Restructuring Termination costs		2,845	(1,701)		1,144
Total	$ 3,333	$ 2,845	$ (3,901)	$ (666)	$ 1,611

For the year ended December 31, 2003, we had the following activity in our restructuring accruals:

	January 1, 2003 Balance	Additions	Payments	Reductions	December 31, 2003 Balance
February 2002 Restructuring Termination costs	$ 467	$	$ (372)	$ (95)	$
August 2002 Restructuring Termination costs	1,144		(1,007)	(137)	
February 2003 Restructuring Termination costs		1,841	(1,789)	(52)	
July 2003 Brience Restructuring Termination costs		607	(607)		
December 2003 Restructuring Termination Costs		93			93
Total	$ 1,611	$ 2,541	$ (3,775)	$ (284)	$ 93

19. Employee Benefits

Savings Plans (Successor)

During the period from February 14, 2002 to December 31, 2002, we adopted a 401(k) plan covering all employees subject to certain eligibility requirements. Under this plan, a certain percentage of eligible employee contributions are matched. We incurred total savings plan costs of $2,045 and $1,998 in the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, respectively.

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Savings Plans (Brience)

For the period from February 14, 2002 to December 31, 2002 and the period from January 1, 2003 to July 23, 2003, Brience had a 401(k) plan available to all employees. Employees were eligible to participate in the 401(k) at any time beginning with their first day of employment. Each participant could elect to contribute an amount up to 15 percent of his or her annual base salary plus commissions and bonuses, but not to exceed the statutory limit as prescribed by the Internal Revenue Code. While Brience was allowed to make discretionary contributions to the 401(k), no discretionary contributions to the 401(k) were made by Brience. This plan was discontinued after July 23, 2003, the date of the merger.

Employee Benefits (Predecessor)

We participated in the Verizon benefit plans for the period ending December 31, 2001, and the period from January 1, 2002 to February 13, 2002. Verizon maintains noncontributory defined benefit pension plans for substantially all employees. The postretirement healthcare and life insurance plans for our retirees and their dependents are both contributory and noncontributory and include a limit on our share of cost for recent and future retirees. Verizon also sponsors a defined contribution savings plans in which we participated to provide opportunities for our eligible employees to save for retirement on a tax-deferred basis and to encourage employees to acquire and maintain an equity interest in Verizon.

The structure of Verizon s benefit plans does not provide for the separate determination of certain disclosures for us. The required information is provided on a consolidated basis in Verizon s Annual Report on Form 10-K for the year ended December 31, 2002.

Pension and Other Postretirement Benefits (Predecessor)

Verizon may periodically amend the benefits in our pension and other postretirement benefit plans.

Benefit Cost

Amounts reported in the Consolidated Statements of Operations consist of:

	Predecessor		Predecessor	
	Pension		Healthcare and Life	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002	Year Ended December 31, 2001	Period from January 1 to February 13, 2002

Net periodic benefit cost	$ 3,161	$ 430	$ 700	$ 129

There are no amounts recognized on the consolidated balance sheets.

The changes in benefit obligations from year to year were caused by a number of factors, including changes in actuarial assumptions (see Assumptions below) and plan amendments.

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Assumptions

The actuarial assumptions used are based on market interest rates, past experience, and management s best estimate of future economic conditions. Changes in these assumptions may impact future benefit costs and obligations. The weighted-average assumptions used in determining expense and benefit obligations are as follows:

	Predecessor		Predecessor	
	Pension		Healthcare and Life	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002	Year Ended December 31, 2001	Period from January 1 to February 13, 2002
Discount rate at end of year	7.25%	7.25%	7.25%	7.25%
Long-term rate of return on plan assets for the year	9.25	9.25	9.10	9.10
Rate of future increases in compensation at end of year	5.00	5.00	4.00	4.00
Medical cost trend rate at end of year			10.00	10.00
Ultimate			5.00	5.00

Savings Plans and Employee Stock Ownership Plans (Predecessor)

For the period ending December 31, 2001, and the period from January 1, 2002 to February 13, 2002, substantially all of our employees were eligible to participate in savings plans maintained by Verizon. Verizon maintains a leveraged employee stock ownership plan (ESOP) for its management employees of the former GTE Companies. Under this plan, a certain percentage of eligible employee contributions are matched with shares of Verizon common stock. Verizon recognizes leveraged ESOP cost based on the modified shares allocated method for this leveraged ESOP that held shares before December 31, 1989. We recognize savings plan costs based on our matching obligation attributed to our participating management employees. We recorded total savings plan costs of $1,834 in 2001, and $299 in the period from January 1, 2002 to February 13, 2002.

20. Income Taxes

The components of income tax expense (benefit) are as follows:

	Predecessor		Successor	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002	Period from February 14 to December 31, 2002	Year Ended December 31, 2003

Current:				
Federal	$ 41,055	$ 4,221	$ 120	$ (127)
Foreign	19	4	21	41
State and local	7,569	779	306	(315)
	48,643	5,004	447	(401)
Deferred				
Federal	(4,017)	(496)	7,973	9,397
State and local	(731)	(90)	900	1,061
	(4,748)	(586)	8,873	10,458
Provision for income taxes	$ 43,895	$ 4,418	$ 9,320	$ 10,057

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Prior to the July 23, 2003 acquisition of Brience, Brience filed separate income tax returns and its losses were not available to us in those tax periods. The Brience loss does not generate a current tax benefit due to the history of earnings and losses, uncertainty of the realization of our deferred tax assets, and the absence of sufficient taxable income in prior carryback years. The reconciliation of the income tax provision (benefit) based on the U.S. statutory rate (35%) to our income tax provision is as follows:

	Predecessor		Successor	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002	Period from February 14 to December 31, 2002	Year Ended December 31, 2003
Statutory federal income tax rate	35.0%	35.0%	35.0%	(35.0)%
State and local income tax, net of	3.8	4.0	2.2	(3.9)
Impact of foreign tax rates				1.1
Other, net			0.5	1.5
Valuation allowance			43.4	57.3
	38.8%	39.0%	81.1%	21.0%

Deferred income tax assets and liabilities are recorded due to different carrying amounts for financial and income tax reporting purposes arising from cumulative temporary differences. Significant components of deferred tax (liabilities) assets are shown in the following table:

	December 31, 2002		December 31, 2003	
	Current	Non-Current	Current	Non-Current
Accrued expenses	$	$	$ 1,762	$
Intangible assets		(10,312)		(19,330)
Property and equipment		(27)		(1,968)
Employee benefits	1,173		2,256	
Accounts receivable	979		1,527	
Intangible asset impairment				19,845
R&E Credit		632		607
Federal and state net operating loss carryforwards		37,411		48,822
Other-net	282	268	144	
Deferred tax asset/(liability)	2,434	27,972	5,689	47,976
Valuation allowance	(324)	(38,955)	(5,320)	(67,676)
Net deferred tax asset/(liability)	$ 2,110	$ (10,983)	$ 369	$ (19,700)

SFAS No. 109, *Accounting for Income Taxes*, requires a valuation allowance to reduce the deferred tax assets reported if, based upon the weight of evidence, it more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences and NOLs (net operating losses) become deductible or are utilized. Primarily as a result of impairment losses recognized in the fourth quarter of 2003 which caused us to

have cumulative losses since our 2002 acquisition, our expectation that this cumulative loss position would not reverse in 2004, and the inability to consider the deferred tax liabilities arising from our tax basis deductions of goodwill amortization, we concluded that it was appropriate to establish a full valuation allowance against our net deferred tax assets, excluding deferred tax liabilities related to goodwill, using the more likely than not criteria. The deferred tax assets arise primarily from accumulated U.S. federal and state NOLs, which expire between 2006 and 2023, and the impairment of intangible assets. These NOLs relate primarily to Brience s operations in periods prior to the February 14, 2002 date when those results have been included in our financial statements.

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The Tax Reform Act of 1986 imposes restrictions on the utilization of net operating loss and tax credit carryforwards in the event of an ownership change, as defined by the Internal Revenue Code. Our ability to utilize NOLs and tax credit carryforwards may be subject to restrictions pursuant to these provisions.

21. Discontinued Operations of Brience

On July 31, 2001, Brience determined that it would divest itself of its subsidiary Hello Asia, Inc. that operated in several Asian countries. The operations of Hello Asia, Inc. were sold or liquidated following this date and were concluded by December 31, 2002. Hello Asia, Inc. conducted an e-marketing customer rewards program. There were no Hello Asia assets or liabilities remaining at December 31, 2002.

Results of operations of Hello Asia, Inc. for the period from February 14, 2002 to December 31, 2002 are as follows:

	Period from February 14, 2002 to December 31, 2002
Revenues	$ 715
Costs and expenses:	
Cost of operations	462
Sales and marketing	878
General and administrative	983
	2,323
Operating loss	(1,608)
Other income (expense), net:	67
	67
Loss before provision for income taxes	(1,541)
Provision for income taxes	
Net loss	$ (1,541)

22. Commitments and Contingencies

We are currently a party to various claims and legal actions that arise in the ordinary course of business. We believe such claims and legal actions, individually and in the aggregate, will not have a material adverse effect on our business, financial condition or results of operations. As of December 31, 2003, we have considered all of the claims and disputes of which we are aware and accrued amounts in our analysis of doubtful accounts or probable loss accruals.

The most significant of these claims, in terms of dollars sought, is described below.

SBC Communications, Inc., d/b/a SBC Ameritech, SBC Southwestern Bell and SBC Pacific Bell (collectively, SBC), have asserted claims against us in the total principal sum of $7,281, based on alleged overcharging for services we provided. We deny the claims, believe they are unfounded and on April 15, 2003 filed a complaint in Hillsborough County, Florida against SBC Southwestern Bell and SBC Pacific Bell seeking a Declaratory Judgment denying their claims and seeking $1,358 which they have refused to pay.

23. Related Party Transactions

Successor

On February 14, 2002, we entered into several agreements to enable us to conduct its business on a stand-alone basis separate from Verizon, and for other business reasons.

Professional Services Agreement

We have agreed to pay GTCR an annual fee of $500 for its ongoing services as our financial and management consultant. We incurred $417 and $500 in the period from February 14, 2002 to December 31, 2002 and December 31, 2003, respectively.

Transition Services Agreement

Verizon agreed to provide us with services for accounts payable, general ledger/SAP, employee health benefits/COBRA, and payroll services for a period of six months following February 14, 2002 for a total monthly fee of approximately $129. The transition services were completed in 2002. Verizon charged us $425 under this agreement from February 14, 2002 to December 31, 2002. This agreement has now expired.

Distributed Processing Services Agreement

Verizon agreed to provide us with data center infrastructure and technical support services in support of our distributed systems processing, including a data center network infrastructure, for a period of 18 months. We agreed to pay both monthly labor fees (capped at approximately $241 per month) and maintenance fees (capped at $300 per month). If additional hardware, software or maintenance was added, Verizon charged us additional amounts. Amounts incurred under these agreements total $4,595 from February 14, 2002 to December 31, 2002.

On July 8, 2003, the Distributed Processing Services Agreement with VITI was renewed for an additional 3 years. Amounts incurred under this agreement total $4,637 for the year ended December 31, 2003.

Mainframe Computing Services Agreement

Verizon agreed to provide certain mainframe computing and help desk services to us, for a period of six months, beginning February 14, 2002. We paid Verizon a per service fee depending on the type of service provided. Therefore, monthly payments vary with usage. Typical services included CPU processing time, disk and tape storage, and tape mounts. There were no stated minimum fees. Amounts incurred under these agreements total $3,888 from February 14, 2002 to December 31, 2002. This total excludes $564 in costs incurred during the period from February 14, 2002 to December 31, 2002 to transition our data to a new service provider. This agreement has now expired.

Revenue Guaranty Agreement

Verizon agreed, through December 31, 2005, to make quarterly payments to us if the amount of wireless revenues, as defined, for a given period is less than the revenue target for such period. In general the revenue guaranty payments will be due if wireless revenues during each of the years in the period from February 14, 2002 to December 31, 2005 are less than 82.5% of the agreed-upon targets. The payments due would be calculated as equal to 61.875% of the quarterly shortfall. No payments from Verizon are due under the guaranty agreement for the period from

February 14, 2002 to December 31, 2002 or the year ended December 31, 2003.

Other

GTCR Capital Partners, L.P., an investment fund affiliated with our controlling equityholder, purchased $30,000,000 face value amount of our Senior Subordinated Notes in 2002. These notes were sold in the fourth quarter of 2003. In addition, Verizon purchased $75 million face value of our term loan B of the senior credit facility but had sold them by May 2002.

GTCR Fund VII, L.P., investment fund affiliated with our controlling equityholder, has loaned Mr. Evans approximately $1,000,000 to fund a portion of the purchase price for his purchase of Co-Invest Units and Carried Units. This loan bears interest at a rate of 10% per annum. This loan is not recorded in our financial statements.

We transact business and recognize revenues and expenses from Transaction Network Services, Inc., a company affiliated with our controlling unitholder. For the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, we recognized revenues in the amount of $1,617 and $2,313, respectively. For the period from February 14, 2002 to December 31, 2002 and the year ended December 31, 2003, we recognized expenses in the amount of $687 and $457, respectively.

See Notes 5 and 12 for other related party transactions.

Predecessor

We recognized revenues from Verizon Wireless for providing wireless solutions that allow operators to communicate with each other regardless of the network technology, signaling standard or billing protocol deployed. We also recognized revenues from Verizon Network Services for providing data base services.

We had arrangements with Verizon Services for the provision of various centralized services. These costs include corporate governance, corporate finance, external affairs, legal, media relations, employee communications, corporate advertising, human resources, and treasury. These costs were allocated to us based on functional reviews of the work performed.

Verizon Data Services provided data processing services, software application development and maintenance. We were charged for these affiliated transactions based on proportional cost allocation methodologies.

Verizon Realty provided us with office space and various facilities for housing our equipment. We paid market rates for these facilities. The cost of leasing these facilities was included in cost of operations and general and administrative expenses.

In the opinion of management, the costs allocated for services and facilities were reasonable and represented our cost of doing business.

We recognized interest income and expense in connection with arrangements with Verizon (Parent) to provide short-term financing, investing and cash management services. We also declared and paid dividends to our parent, which is a wholly owned subsidiary of Verizon.

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Transactions with affiliates (including Verizon and its predecessors) are summarized as follows:

	Predecessor	
	Year Ended December 31, 2001	Period from January 1 to February 13, 2002
Revenues		
Verizon Wireless	$ 83,321	$ 8,591
Verizon Network Services	33,884	6,496
Other Affiliates	5,192	751
	122,397	15,838
Cost of Operations:		
Verizon Data Services	25,311	2,903
Verizon Realty	2,173	277
Other Affiliates	6,976	1,239
	34,460	4,419
General and Administrative Expenses:		
Service Corporation Prorate	3,597	326
Rent Expense	914	117
	4,511	443
Interest income Verizon (Parent)	2,472	221

24. Quarterly Financial Information (Unaudited)

The following presents quarterly financial results for the year ended December 31, 2003. Previously reported quarters have been restated to give effect to the Brience, Inc. acquisition, accounted for similar to a pooling of interests (see Note 5).

	Successor			
	As Restated by Syniverse LLC			
	First Quarter 2003	Second Quarter 2003	Third Quarter 2003	Fourth Quarter 2003
Revenues	$ 64,312	$ 67,476	$ 69,448	$ 70,172
Operating income (loss)	12,288	16,883	18,765	(38,445)
Net income (loss)	(3,179)	1,287	3,114	(59,148)
Net income (loss) attributable to common shareholders/unitholders	(10,061)	(5,769)	(4,116)	(66,561)

	Brience, Inc.			
	First Quarter 2003	Second Quarter 2003	Third Quarter 2003	Fourth Quarter 2003
Revenues	$ 1,513	$ 1,468	$	$
Operating income (loss)	(849)	(486)		
Net income (loss)	(842)	(508)		
Net income (loss) attributable to common shareholders/unitholders	(842)	(508)		

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	Successor			
	As Previously Reported by Syniverse LLC			
	First Quarter 2003	Second Quarter 2003	Third Quarter 2003	Fourth Quarter 2003
Revenues	$ 62,799	$ 66,008	$ 69,448	$ 70,172
Operating income (loss)	13,137	17,369	18,765	(38,445)
Net income (loss)	(2,337)	1,795	3,114	(59,148)
Net income (loss) attributable to common shareholders/unitholders	(9,219)	(5,261)	(4,116)	(66,561)

The following presents quarterly financial results for the year ended December 31, 2002.

	Predecessor	Successor			
	Period from January 1 to February 13, 2002	Period from February 14 to March 31, 2002	Second Quarter 2002	Third Quarter 2002	Fourth Quarter 2002
Revenues	$ 39,996	$ 44,027	$ 88,645	$ 87,060	$ 76,312
Operating income	10,922	8,487	16,511	21,410	18,499
Net income (loss)	6,917	(1,249)	(1,710)	1,646	1,944
Income (loss) from continuing operations		(388)	(1,127)	2,390	1,297
Loss from discontinued operations		(861)	(583)	(744)	647
Net income (loss) attributable to common shareholders/unitholders	6,917	(4,404)	(8,160)	(4,987)	(4,770)

25. Supplemental Consolidating Financial Information

Syniverse s payment obligations under the senior notes, described in Note 13 above, are guaranteed by Syniverse LLC, Syniverse Inc., and all domestic subsidiaries of Syniverse including Syniverse Finance, Syniverse Networks, and Syniverse Brience (collectively, the Guarantors). Such guarantees are full, unconditional and joint and several. The following supplemental financial information sets forth, on an unconsolidated basis, balance sheets, statements of income, and statements of cash flows information for Syniverse LLC (parent only), Syniverse Inc., and for the guarantor subsidiaries. The supplemental financial information reflects the investments of Syniverse LLC and Syniverse, Inc. using the equity method of accounting.

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CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2003

	Syniverse LLC	Syniverse Inc.	Syniverse	Syniverse Networks	Syniverse Brience	Syniverse Finance	Eliminations	Consolidated
ASSETS								
Current assets:								
Cash	$	$	$ 8,293	$	$ 3	$ 3	$	$ 8,299
Accounts receivable, net of allowances			29,843	30,789	979			61,611
Accounts receivable affiliates	43		22,728	493		21,909	(45,173)	
Deferred tax assets				369				369
Prepaid and other current assets			5,795		489			6,284
Total current assets	43		66,659	31,651	1,471	21,912	(45,173)	76,563
Property and equipment, net			13,867	19,681				33,548
Capitalized software, net of accumulated amortization			55,274	12,379				67,653
Deferred finance costs			14,584					14,584
Goodwill			59,861	271,402				331,263
Identifiable intangibles, net:								
Customer contract, net			5,880	3,825				9,705
Trademark			327	358				685
Customer base, net			107,820	88,450				196,270
Notes receivable-affiliates				1,985		656,520	(658,505)	
Investment in subsidiaries	213,733	211,748	787,536	469			(1,213,486)	
Total assets	$ 213,776	$ 211,748	$ 1,111,808	$ 430,200	$ 1,471	$ 678,432	$ (1,917,164)	$ 730,271
LIABILITIES AND UNITHOLDERS / SHAREHOLDERS EQUITY								
Current liabilities:								
Accounts payable	$	$	$ 4,029	$	$	$	$	$ 4,029
Accounts payable affiliates				773	674	43,727	(45,174)	
Accrued payroll and related benefits			8,879		2			8,881
Accrued interest			14,136					14,136
Other accrued liabilities			17,093		326			17,419
Current portion of Term Note B, net of discount			33,589					33,589
Total current liabilities			77,726	773	1,002	43,727	(45,174)	78,054
Long-term liabilities:								
Deferred taxes			1,609	18,091				19,700
Payable to affiliate			401,984	256,520			(658,504)	
Subordinated Notes, net of discount			241,037					241,037
Term Note B, net of discount-less current portion			174,749					174,749
Other liabilities			2,955					2,955
Total long-term liabilities			822,334	274,611			(658,504)	438,441
Unitholders /shareholders equity:								
Class A Preferred Units								
Class B Preferred Units	252,367							252,367
Common Units	120,351				117,340		(117,340)	120,351
Common Stock		99					(99)	
Preferred Stock		3					(3)	
Additional paid-in capital		370,588	370,690	315,820		686,436	(1,743,534)	

Retained earnings (accumulated deficit)	(159,368)	(159,368)	(159,368)	(161,430)	(117,297)	(51,731)	649,194	(159,368)
Accumulated other comprehensive income	426	426	426	426	426		(1,704)	426
Total unitholders /shareholders equity	213,776	211,748	211,748	154,816	469	634,705	(1,213,486)	213,776
Total liabilities and unitholders / shareholders equity	$ 213,776	$ 211,748	$ 1,111,808	$ 430,200	$ 1,471	$ 678,432	$ (1,917,164)	$ 730,271

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CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Syniverse LLC	Syniverse Inc.	Syniverse	Syniverse Networks	Syniverse Brience	Syniverse Finance	Eliminations	Consolidated
Revenues	$	$	$ 136,399	$ 130,532	$ 4,477	$	$	$ 271,408
Costs and expenses:								
Cost of operations			40,603	67,970	1,171			109,744
Sales and marketing			10,411	7,724	496			18,631
General and administrative			20,521	15,333	3,999	28		39,881
Provision for (recovery of) uncollectible accounts			(273)	652	87			466
Depreciation and amortization			22,855	14,416	48			37,319
Restructuring			1,014	1,051	99			2,164
Impairment loss on intangible assets			27,070	26,642				53,712
			122,201	133,788	5,900	28		261,917
Operating income			14,198	(3,256)	(1,423)	(28)		9,491
Other income (expense), net								
Income from equity investment	(57,926)	(47,869)	40,130				65,665	
Interest income			8,870	263	8	78,551	(86,924)	768
Interest expense			(111,066)	(33,963)	(23)		86,924	(58,128)
Other, net			(1)		1			
	(57,926)	(47,869)	(62,067)	(33,700)	(14)	78,551	65,665	(57,360)
Income (loss) from continuing operations before provision for income taxes	(57,926)	(47,869)	(47,869)	(36,956)	(1,437)	78,523	65,665	(47,869)
Provision for income taxes		10,057	10,057	9,220		27,483	(46,760)	10,057
Net income (loss)	(57,926)	(57,926)	(57,926)	(46,176)	(1,437)	51,040	112,425	(57,926)
Preferred unit dividends	(28,581)	(30,230)		(20,889)			51,119	(28,581)
Net income (loss) attributable to common unitholders/shareholders	$ (86,507)	$ (88,156)	$ (57,926)	$ (67,065)	$ (1,437)	$ 51,040	$ 163,544	$ (86,507)

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CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Syniverse LLC	Syniverse Inc.	Syniverse	Syniverse Networks	Syniverse Brience	Syniverse Finance	Eliminations	Consolidated
Cash flows from operating activities								
Net income (loss)	$ (57,926)	$ (57,926)	$ (57,926)	$ (46,176)	$ (1,437)	$ 51,040	$ 112,425	$ (57,926)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization			34,801	14,416	48			49,265
Provision for uncollectible accounts			(273)	652	87			466
Deferred income tax benefit			(4,675)	15,133				10,458
Income from equity investment	57,926	47,869	(40,130)				(65,665)	
Gain on forgiveness of debt					(1,250)			(1,250)
Loss on disposition of property					327			327
Impairment losses on intangible assets			27,070	26,642				53,712
Changes in operating assets and liabilities:								
Accounts receivable			(9,989)	3,828	(483)	21,308	(21,308)	(6,644)
Other current assets			(1,920)		1,921			1
Accounts payable			(15,244)	772	561	27,483	(15,446)	(1,874)
Other current liabilities	(56)	10,057	3,570		(3,821)	(1)	(10,003)	(254)
Other assets and liabilities			955		1,130			2,085
Net cash provided by (used in) operating activities	(56)		(63,761)	15,267	(2,917)	99,830	3	48,366
Cash flows from investing activities								
Capital expenditures			(3,013)	(15,267)				(18,280)
Acquisition of Softwright Holdings, net of cash acquired			(603)					(603)
Dividends received from equity investment			99,858				(99,858)	
Net cash provided by (used in) investing activities			96,242	(15,267)			(99,858)	(18,883)
Cash flows from financing activities								
Dividends paid						(99,855)	99,855	
Debt issue fees paid			(1,683)					(1,683)
Principal payments on long-term debt			(62,059)					(62,059)
Issuance of common units	65							65
Repurchase of common units	(9)							(9)
Notes receivable from stockholders of Brience					312			312
Capital contribution			(22)			22		
Net cash provided by (used in) financing activities	56		(63,764)		312	(99,833)	99,855	(63,374)
Net increase in cash			(31,283)		(2,605)	(3)		(33,891)
Cash at beginning of period			39,576		2,608	6		42,190
Cash at end of period	$	$	$ 8,293	$	$ 3	$ 3	$	$ 8,299

CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2002

	Syniverse LLC	Syniverse Inc.	Syniverse	Syniverse Networks	Syniverse Brience	Syniverse Finance	Eliminations	Consolidated
ASSETS								
Current assets:								
Cash	$	$	$ 39,576	$	$ 2,608	$ 6	$	$ 42,190
Accounts receivable, net of allowances			28,808	25,811	583		(9)	55,193
Accounts receivable affiliates			6,546	9,698			(16,244)	
Deferred tax assets			1,872	238				2,110
Prepaid and other current assets			3,827		1,984			5,811
Total current assets			80,629	35,747	5,175	6	(16,253)	105,304
Property and equipment, net			16,762	16,591	375			33,728
Capitalized software, net of accumulated amortization			65,722	8,192				73,914
Deferred finance costs			16,015					16,015
Goodwill			59,157	271,402				330,559
Identifiable intangibles, net:								
Customer contract, net			7,969	5,625				13,594
Trademark			24,700	27,000				51,700
Customer base, net			113,794	93,330				207,124
Notes receivable-affiliates			256,520	1,985		400,000	(658,505)	
Other assets					1,130			1,130
Investment in subsidiary	269,752	267,768	595,650				(1,133,170)	
Total assets	$ 269,752	$ 267,768	$ 1,236,918	$ 459,872	$ 6,680	$ 400,006	$ (1,807,928)	$ 833,068
LIABILITIES AND UNITHOLDERS / SHAREHOLDERS EQUITY								
Current liabilities:								
Accounts payable	$	$	$ 8,089	$	$ 115	$	$	$ 8,204
Accounts payable affiliates						2,896	(2,896)	
Accrued payroll and related benefits			6,672					6,672
Accrued interest			27,956				(13,348)	14,608
Other accrued liabilities			11,692		4,148	1		15,841
Current portion of Term Note B, net of discount			52,736					52,736
Total current liabilities			107,145		4,263	2,897	(16,244)	98,061
Long-term liabilities:								
Deferred taxes			8,156	2,827				10,983
Payable to affiliate	9		401,985	256,520			(658,514)	
Subordinated Notes, net of discount			240,257					240,257
Term Note B, net of discount less current portion			211,607					211,607
Other liabilities					1,250			1,250
Total long-term liabilities	9		862,005	259,347	1,250		(658,514)	464,097
Commitments and contingencies:								
Redeemable preferred stock					78,553			78,553
Unitholders /shareholders equity:								
Class A Preferred Units								
Class B Preferred Units	252,367							252,367

Common Units	2,967							2,967
Common Stock		99			1		(99)	1
Preferred Stock		3					(3)	
Additional paid-in capital		253,248	253,350	198,480	38,785	400,025	(1,105,103)	38,785
Notes receivable from shareholders					(312)			(312)
Retained earnings (accumulated deficit)	14,418	14,418	14,418	2,045	(115,860)	(2,916)	(27,965)	(101,442)
Less cost of treasury units (270,270 common units)	(9)							(9)
Total unitholders /shareholders equity	269,743	267,768	267,768	200,525	(77,386)	397,109	(1,133,170)	192,357
Total liabilities and unitholders / shareholders equity	$ 269,752	$ 267,768	$ 1,236,918	$ 459,872	$ 6,680	$ 400,006	$ (1,807,928)	$ 833,068

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CONSOLIDATING STATEMENT OF OPERATIONS

PERIOD FROM FEBRUARY 14, 2002 TO DECEMBER 31, 2002

	Syniverse LLC	Syniverse Inc.	Syniverse	Syniverse Networks	Syniverse Brience	Syniverse Finance	Eliminations	Consolidated
Revenues	$	$	188,221	$ 102,995	$ 4,828	$	$	$ 296,044
Costs and expenses:								
Cost of operations			70,541	56,710	3,113			130,364
Sales and marketing			14,529	4,875	3,302			22,706
General and administrative			26,136	7,159	9,314	21		42,630
Provision for (recovery of) uncollectible accounts			(319)	(284)	(90)			(693)
Depreciation and amortization			23,247	8,863	1,175			33,285
Restructuring			1,788	1,057				2,845
			135,922	78,380	16,814	21		231,137
Operating income			52,299	24,615	(11,986)	(21)		64,907
Other income (expense), net								
Income from equity investment	631	9,951	35,974				(46,556)	
Interest income			22,130	230	100	46,432	(67,927)	965
Interest expense			(100,444)	(21,495)	(93)		67,927	(54,105)
Other, net			(8)		(267)			(275)
	631	9,951	(42,348)	(21,265)	(260)	46,432	(46,556)	(53,415)
Income (loss) from continuing operations before provision for income taxes	631	9,951	9,951	3,350	(12,246)	46,411	(46,556)	11,492
Provision for income taxes		9,320	9,320	1,305		16,244	(26,869)	9,320
Income (loss) from continuing operations	631	631	631	2,045	(12,246)	30,167	(19,687)	2,172
Discontinued operations:								
Loss from discontinued operations, net of taxes					(1,541)			(1,541)
Net income (loss)	631	631	631	2,045	(13,787)	30,167	(19,687)	631
Preferred unit dividends	(22,952)	(33,340)		(12,390)			45,730	(22,952)
Net income (loss) attributable to common unitholders/shareholders	$ (22,321)	$ (32,709)	$ 631	$ (10,345)	$ (13,787)	$ 30,167	$ 26,043	$ (22,321)

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CONSOLIDATING STATEMENT OF CASH FLOWS

PERIOD FROM FEBRUARY 14, 2002 TO DECEMBER 31, 2002

	Syniverse LLC	Syniverse Inc.	Syniverse	Syniverse Networks	Syniverse Brience	Syniverse Finance	Eliminations	Consolidated
Cash flows from operating activities								
Net income (loss)	$ 631	$ 631	$ 631	$ 2,045	$ (13,787)	$ 30,167	$ (19,687)	$ 631
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization			31,924	8,863	1,175			41,962
Recovery of uncollectible accounts			(319)	(284)	(90)			(693)
Deferred income tax benefit			6,284	2,589				8,873
Income from equity investment	(631)	(9,951)	(35,974)				46,556	
Loss on disposition of property					1,472			1,472
Changes in operating assets and liabilities:								
Accounts receivable			13,200	(7,989)	2,264			7,475
Other current assets			(701)		(1,113)			(1,814)
Accounts payable			9,182		(183)	2,895	(16,244)	(4,350)
Other current liabilities		9,320	7,901		5	1	(10,625)	6,602
Other assets					(393)			(393)
Net cash provided by operating activities			32,128	5,224	(10,650)	33,063		59,765
Cash flows from investing activities								
Capital expenditures			(7,054)	(5,224)				(12,278)
Dividends received from equity investment			33,082				(33,082)	
Net cash provided by (used in) investing activities			26,028	(5,224)			(33,082)	(12,278)
Cash flows from financing activities								
Dividends paid						(33,082)	33,082	
Excess cash received at purchase date			1,859			25		1,884
Principal payments on long-term debt			(15,000)		(641)			(15,641)
Retirement of short-term debt			(30,430)					(30,430)
Other			(9)					(9)
Net cash used in financing activities			(43,580)		(641)	(33,057)	33,082	(44,196)
Net increase in cash			14,576		(11,291)	6		3,291
Cash at beginning of period			25,000		13,899			38,899
Cash at end of period	$	$	$ 39,576	$	$ 2,608	$ 6	$	$ 42,190

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Schedule II Valuation and Qualifying Accounts

Syniverse Holdings, LLC and Predecessor

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions (Describe)	Balance at end of Period
Allowance for doubtful accounts:				
Year ended December 31, 2001	$ 3,561	$ 2,207	$ (2,203)(1)	$ 3,565
Period from January 1, 2002 to February 13, 2002	$ 3,565	$ 1,340	$ (447)(1)	$ 4,458
Period from February 14, 2002 to December 31, 2002	$ 4,458	$ (693)(2)	$ (1,341)(1)	$ 2,424
Year ended December 31, 2003	$ 2,424	$ 466	$ (355)(1)	$ 2,535

(1) Write-offs of uncollectible accounts
(2) Reduction of estimated allowance

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions (Describe)	Balance at end of Period
Accrual for restructuring:				
Year ended December 31, 2001	$	$	$	$
Period from January 1, 2002 to February 13, 2002	$	$	$	$
Period from February 14, 2002 to December 31, 2002			(3,901)(1)	
	$ 3,333	$ 2,845	$ (666)(2)	$ 1,611
Year ended December 31, 2003	$ 1,611	$ 2,164	$ (3,775)(1)	$

(1) Payments
(2) Reduction related to change in estimates of amounts reserved.

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions (Describe)	Balance at end of Period

Valuation allowance for deferred income taxes:				
Year ended December 31, 2001	$	$	$	$
Period from January 1, 2002 to February 13, 2002	$	$	$	$
Period from February 14, 2002 to December 31, 2002	$	$ 39,261(1)	$	$ 39,261
Year ended December 31, 2003	$ 39,261	$ 33,735(1)	$	$ 72,996

(1) FAS 109 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, its more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible.

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 23rd day of September 2005.

Syniverse Technologies, Inc.

By: /s/ Raymond L. Lawless

Raymond L. Lawless

Chief Financial Officer and Director

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signatures	Capacity	Dates
/s/ G. Edward Evans **G. Edward Evans**	Chief Executive Officer and Director (Principal Executive Officer)	September 23, 2005
/s/ Raymond L. Lawless **Raymond L. Lawless**	Chief Financial Officer and Director (Principal Accounting Officer)	September 23, 2005
/s/ David A. Donnini **David A. Donnini**	Director	September 23, 2005
/s/ Collin E. Roche **Collin E. Roche**	Director	September 23, 2005
/s/ Odie C. Donald **Odie C. Donald**	Director	September 23, 2005
/s/ Tony G. Holcombe **Tony G. Holcombe**	Director	September 23, 2005
/s/ Robert J. Marino **Robert J. Marino**	Director	September 23, 2005

/s/ JOHN C. HOFFMAN	Director	September 23, 2005
John C. Hoffman		
/s/ JAMES B. LIPHAM	Director	September 23, 2005
James B. Lipham		
/s/ JACK PEARLSTEIN	Director	September 23, 2005
Jack Pearlstein		

Supplemental Information to be furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which have Not Registered Securities Pursuant to Section 12 of the Act.

We have not sent, and do not intend to send, an annual report to security holders covering our last fiscal year, nor have we sent a proxy statement, form of proxy or other proxy soliciting material to our security holders with respect to any annual meeting of security holders.

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EXHIBITS REQUIRED TO BE FILED BY ITEM 601 OF REGULATION S-K

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated December 7, 2001, by and between TSI Telecommunication Holdings, Inc. and Verizon Information Services Inc.(1)
2.2	Amended and Restated Agreement of Merger, dated December 7, 2001, as amended and restated as of January 14, 2002, by and among TSI Telecommunication Holdings, Inc., TSI Merger Sub, Inc., Verizon Information Services Inc. and TSI Telecommunication Services Inc.(1)
2.3	Asset Transfer Agreement, dated February 14, 2002, between TSI Telecommunication Services Inc. and TSI Network Services Inc.(1)
3.1	Restated Certificate of Incorporation of TSI Telecommunication Services Inc.(1)
**3.1.1	Restated Certificate of Incorporation of Syniverse Technologies, Inc.
3.2	Bylaws of TSI Telecommunication Services Inc.(1)
3.3	Amended and Restated Certificate of Incorporation of TSI Telecommunication Holdings, Inc.(1)
3.4	Bylaws of TSI Telecommunication Holdings, Inc.(1)
3.5	Amended and Restated Certificate of Incorporation of TSI Network Services Inc. (1)
3.6	Bylaws of TSI Network Services Inc.(1)
3.7	Certificate of Formation of TSI Telecommunication Holdings, LLC.(1)
**3.7.1	Restated Certificate of Formation of Syniverse Holdings, LLC.
3.8	Limited Liability Company Agreement of TSI Telecommunication Holdings, LLC.(1)
3.9	Certificate of Incorporation of TSI Finance Inc.(1)
3.10	Bylaws of TSI Finance Inc.(1)
3.11	Amendment No. 1 to Amended and Restated Certificate of Incorporation of TSI Telecommunication Network Services, Inc.(6)
3.12	Limited Liability Company Operating Agreement of TSI Brience, LLC.(6)
4.1	Purchase Agreement, dated February 5, 2002, among TSI Merger Sub, Inc., TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc., TSI Finance Inc. and Lehman Brothers Inc.(1)
4.2	Indenture, dated February 14, 2002, among TSI Merger Sub, Inc., TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc., TSI Finance Inc. and The Bank of New York, as trustee.(1)
4.3	Exchange and Registration Rights Agreement, dated March 27, 2001, by and among TSI Merger Sub, Inc., TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc., TSI Finance Inc. and Lehman Brothers Inc.(1)
4.4	Notation of Guarantee, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Networks Inc. and TSI Finance Inc.(1)
4.5	Form of Rule 144A Global Note.(1)
4.6	Form of Regulation S Global Note.(1)
4.7	Form of Exchange Note.(1)
10.1	Credit Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, Inc., TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc., as Borrower, the several Lenders from time to time parties thereto, Lehman Brothers Inc., as Lead Arranger and Book Manager and Lehman Commercial Paper Inc., as Administrative Agent.(1)

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Exhibit No.	Description
10.2	Guarantee and Collateral Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Telecommunication Services Inc. and certain of their respective Subsidiaries, and Lehman Commercial Paper Inc., as Administrative Agent.(1)
10.3	Intellectual Property Security Agreement, dated February 14, 2002, between TSI Telecommunication Services Inc. and Lehman Commercial Paper Inc., as administrative agent.(1)
10.4	Guaranty of Wireless Revenue, dated February 14, 2002, between Verizon Information Services Inc. and TSI Telecommunication Services Inc.(1)
10.5	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and G. Edward Evans.(1) as amended by that certain Amendment to Senior Management Agreement, dated April 1, 2003, by and among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and G. Edward Evans.(2)
10.6	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Raymond L. Lawless.(1)
10.7	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Michael O Brien.(1)
10.8	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Paul A. Wilcock.(1)
10.9	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Wayne Nelson.(1)
10.10	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Robert Clark.(1)
10.11	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Douglas Meyn.(1)
10.12	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Gilbert Mosher.(1)
10.13	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Christine Wilson Strom.(1)
10.14	Senior Management Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Robert Garcia, Jr.(1)
10.15	Consulting Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, TSI Merger Sub, Inc. and Michael Hartman.(1)
10.16	Securityholders Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest, L.P., G. Edward Evans, Raymond L. Lawless, Robert Clark, Robert Garcia, Jr., Douglas Meyn, Gilbert Mosher, Wayne Nelson, Michael O Brien, Christine Wilson Strom, Paul Wilcock, Rajesh Shah, Christian Schiller, Arnis Kins, John Kins and Snowlake Investment Pte Ltd.(1)
10.17	Unit Purchase Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, GTCR Fund VII, L.P., GTCR Fund VII/A, L.P. and GTCR Co-Invest, L.P.(1)
10.18	Stock Purchase Agreement, dated February 14, 2002, by and between TSI Communication Holdings, Inc. and TSI Communication Holdings, LLC.(1)
10.19	Purchase Agreement, dated February 14, 2002, between TSI Telecommunication Holdings, LLC and Snowlake Investment Pte Ltd.(1)
10.20	Co-Interest Purchase Agreement, dated February 14, 2002, between TSI Telecommunication Holdings, LLC and Project Networks Partners LLC.(1)

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Exhibit No.	Description
10.21	Purchase Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, Christian Schiller, Arnis Kins and John Kins.(1)
10.22	Professional Services Agreement, dated February 14, 2002, between GTCR Golder Rauner, L.L.C. and TSI Merger Sub, Inc.(1)
10.23	Transition Services Agreement, dated February 14, 2002, between Verizon Information Services Inc. and TSI Telecommunication Services Inc.(1)
10.24	Registration Agreement, dated February 14, 2002, among TSI Telecommunication Holdings, LLC, GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest L.P., G. Edward Evans, Raymond L. Lawless, Robert Clark, Robert Garcia, Jr., Douglas Meyn, Gilbert Mosher, Wayne Nelson, Michael O Brien, Christine Wilson Strom, Paul Wilcock, Rajesh Shah, Christian Schiller, Arnis Kins, John Kins and Snowlake Investment Pte Ltd.(1)
10.25	Inducement Agreement, dated February 14, 2002, among GTCR Fund VII, L.P., GTCR Fund VII/A, L.P., GTCR Co-Invest, L.P., Snowlake Investment Pte Ltd, GTCR Capital Partners, L.P. and TSI Telecommunication Holdings, LLC.(1)
10.26	Termination Agreement and Release (Verizon Data Services), dated February 14, 2002, between Verizon Data Services, Inc. and TSI Telecommunication Services Inc.(1)
10.27	Intellectual Property Agreement, dated February 14, 2002, among Verizon Information Services, Inc., Verizon Communications Inc. and TSI Telecommunication Services Inc.(1)
10.28	Intellectual Property Letter Agreement, dated February 14, 2002, among Verizon Information Services, Inc., TSI Telecommunication Services Inc. and TSI Telecommunication Holdings, Inc.(1)
10.29	Mainframe Computing Services Agreement, dated February 14, 2002, between Verizon Information Technologies Inc. and TSI Telecommunication Services Inc.(1)
10.30	Distributed Processing Services Agreement, dated February 14, 2002, by and between Verizon Information Technologies Inc. and TSI Telecommunications Services Inc.(1)
10.31	TSI Telecommunication Holdings, Inc. Founders Stock Option Plan.(1)
10.32	Form of Nonqualified Stock Option Plan Stock Option Agreement for Management.(1)
10.33	Form of Nonqualified Stock Option Agreement for Non-Management.(1)
10.34	TSI Telecommunication Holdings, Inc. Non-employee Directors Stock Option Plan.(9)
10.35	Form of Nonqualified Stock Option Agreement for Non-employee Directors.(9)
10.36	Senior Management Agreement, dated June 3, 2002 among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Charles A. Drexler.(9)
10.37	Senior Management Agreement, dated February 14, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Linda Hermansen.(3)
10.38	Senior Management Agreement, dated February 14, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Gilbert Mosher.(3)
10.39	Senior Management Agreement, dated May 14, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and Eugene Bergen Henegouwen.(2)
10.40	Senior Management Agreement, dated August 14, 2003, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc, and Paul Corrao.(7)
10.41	First Amendment to Credit Agreement, dated as of September 25, 2003, by and among TSI Telecommunication Holdings, LLC, TSI Telecommunication Holdings, Inc., TSI Telecommunication Services Inc., the lenders signatory thereto, and Lehman Commercial Paper Inc.(4)
10.42	Agreement and Plan of Merger, dated as of July 15, 2003, by and among TSI Telecommunication Network Services Inc., TSI Brience, LLC, Brience, Inc., and the Seller Parties named therein.(5)

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Exhibit No.	Description
10.43	Exchange Agreement, dates as of July 23, 2003, by and among the Parent and the persons listed on the signature page thereto under the heading Exchanging Parities .(5)
10.44	Contribution Agreement, dates as of July 23, 2003, by and among GTCR Fund VII, L.P., GTCR Co-Invest, L.P., and TSI Telecommunication Holdings, LLC.(5)
10.45	Second Amendment to Credit Agreement, dated as of March 11, 2004, by and among Syniverse Holdings, LLC, Syniverse Holdings, Inc., Syniverse Technologies, Inc., the lenders signatory thereto, and Lehman Commercial Paper Inc.(8)
**10.46	Agreement relating to the sale and purchase of the entire issued share capital of Softwright Holdings Limited, dated as of December 19, 2003, by and among TSI Telecommunication Services Inc. and the Vendors named therein.
**10.47	Senior Management Agreement, dated December 8, 2003, among TSI Telecommunication Holdings, LLC, TSI Telecommunication Services Inc. and F. Terry Kremian.
**12.1	Computation of ratio of earnings to fixed charges.
**14.1	Code of Ethics of Syniverse Technologies, Inc.
**21.1	Subsidiaries of Syniverse Holdings, LLC.
*31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer.
*31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer.
*32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) by the Chief Executive Officer.
*32.2	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) by the Chief Financial Officer.

(1) Incorporated by reference to the Registrants Registration Statement on Form S-4 (Registration No. 333-88168).
(2) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2003 (File No. 333-88168-1).
(3) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (File No. 333-88168-1).
(4) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Current Report on Form 8-K dated September 25, 2003 (File No. 333-88168-1).
(5) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Current Report on Form 8-K dated July 23, 2003 (File No. 33-88168-1).
(6) Incorporated by reference to the Registrant s Post Effective Amendment No. 2 (Registration No. 333-99293).
(7) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003 (File No. 333-88168-1).
(8) Incorporated by reference to Syniverse Holdings, LLC and Syniverse Technologies, Inc. s Current Report on Form 8-K filed on March 16, 2004 (File No. 333-88168).
(9) Incorporated by reference to the Registrants Registration Statement on Form S-1 filed September 6, 2002 (Registration No. 333-99293).
* Filed herewith.
** Previously filed.
Compensatory plan or agreement.