SYNIVERSE HOLDINGS INC
Form 10-K
March 14, 2008
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2007

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

COMMISSION FILE NUMBER 001-32432
333-88168

SYNIVERSE HOLDINGS, INC.

SYNIVERSE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**30-0041666**
Delaware	**06-1262301**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

8125 Highwoods Palm Way

Tampa, Florida 33647

(Address of principal executive office)

(Zip code)

(813) 637-5000

(Registrant s telephone number, including area code)

Securities registered pursuant to section 12(b) of the Exchange Act:

Title of each class	**Name of each exchange on which registered**
Syniverse Holdings, Inc. Common Stock, $0.001 per share	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Syniverse Holdings, Inc.	Yes x No ¨
Syniverse Technologies, Inc.	Yes ¨ No x

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 or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of large accelerated filer, accelerated filer and small reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ¨ Accelerated filer x Non-accelerated filer ¨ Small reporting company ¨

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

As of June 30, 2007, the last business day of the Registrants most recently completed second fiscal quarter, the aggregate market value of their common equity held by non-affiliates was $359,664,030, based on the closing sales price as reported on the New York Stock Exchange. This calculation of market value has been made for the purposes of this report only and should not be considered as an admission or conclusion by the Registrants that any person is in fact an affiliate of the Registrants.

As of March 10, 2008, there were 68,099,658 shares of Syniverse Holdings, Inc. s common stock outstanding. As of March 10, 2008 there were 2,000 shares of Syniverse Technologies, Inc. s common stock outstanding, all of which are owned of record by Syniverse Holdings, Inc.

Documents Incorporated by Reference

The information called for by Part III is incorporated by reference to the definitive proxy statement for the registrant s 2008 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2007.

Table of Contents

SYNIVERSE HOLDINGS, INC.

SYNIVERSE TECHNOLOGIES, INC.

FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2007

TABLE OF CONTENTS

Table of Contents

PART I

ITEM 1. BUSINESS

Our History

We were founded in 1987 as GTE Telecommunication Services Inc., a unit of GTE, to address the industry-wide need for inter-operator wireless roaming telephone service. As the wireless industry has grown, we have continuously enhanced and extended our service offerings to meet the evolving technology service requirements of the telecommunications industry.

In early 2000, GTE combined our business with its Intelligent Network Services business, a leading Signaling System 7 (SS7) network and intelligent network database provider. This combination further enhanced our services suite to include national SS7 signaling and intelligent network database management capabilities. In June 2000, GTE and Bell Atlantic merged to form Verizon Communications. As a result of this transaction, we became an indirect, wholly-owned subsidiary of Verizon Communications.

In February 2002, we were acquired by certain members of our senior management team and an investor group led by GTCR Golder Rauner, LLC (GTCR). Following the acquisition, we became an independent corporate entity separate from Verizon. Syniverse Holdings, Inc. was a wholly-owned subsidiary of Syniverse Holdings, LLC, which was the ultimate parent of the consolidated group of Syniverse entities. In connection with our initial public offering in February 2005, Syniverse Holdings, LLC distributed all of the shares of Class A cumulative redeemable convertible preferred stock and common stock of Syniverse Holdings, Inc. that it owned to its members and subsequently dissolved. Following this dissolution and distribution, Syniverse Holdings, Inc. became the ultimate parent of the consolidated group of Syniverse entities.

Overview

We are a leading enabler of wireless voice and data services for telecommunications companies worldwide. For over 20 years, we have served a critical role as one of the wireless industry s only operator-neutral intermediaries, solving the challenges that arise as new technologies, standards and protocols emerge. Our mission-critical data clearinghouse, network and technology services solve technical and operational challenges for the wireless industry by translating incompatible communication standards and protocols and simplifying operator interconnectivity. We also provide hub services which allow operators to connect to multiple other operators through a single connection. Our fully-integrated suite of transaction-based services allows operators to deliver seamless voice, data and next generation services to wireless subscribers, including voice roaming, data roaming, Short Message Service (SMS), Multimedia Messaging Services (MMS), caller ID, number portability and wireless value-added video services.

On December 19, 2007, we acquired the wireless data clearing and financial settlement business (BSG Wireless) of Billing Services Group Limited (BSG). This acquisition allows us to combine our industry-leading technology interoperability and network services capabilities with BSG Wireless strong GSM data clearing expertise; excellent European, Middle Eastern and Asian operator relationships; and leading financial clearing and settlement capabilities.

Demand for our services is driven primarily by wireless voice and data traffic, subscriber roaming activity, SMS and MMS messaging, number porting and next generation IP applications. The global wireless telecommunications industry is expected to grow due to continued subscriber growth, increased usage and deployment of new services. In addition, subscriber adoption of new wireless technologies and services can also drive demand for our services due to the resulting increase in interoperability complexities. The global wireless industry relies on an extensive and complex set of communication standards, technical protocols, network interfaces and systems that must successfully communicate with one another in order to provide voice and data services to subscribers in their local markets and when roaming. The proliferation of these standards has resulted in technological incompatibilities, which are increasingly difficult to manage as new wireless technologies and services are introduced and deployed. We believe that as wireless usage expands and complexity continues to increase, the demand for our services will grow.

We have developed a broad set of innovative interoperability solutions in response to the evolving needs of our customers. Through our integrated suite of services, we enable operators to provide their customers with enhanced wireless services including:

- national and international wireless voice and data roaming;
- wireless data services, including SMS and MMS, across incompatible standards and protocols;
- intelligent network services such as wireless number portability and advanced IP service offerings; and
- Interactive video, prepaid applications and value-added roaming services.

Our service platforms also enable operators to rapidly and cost-effectively deploy next-generation wireless services including enhanced wireless data, wireless Voice-over-Internet Protocol (VoIP) and wireless value-added video services.

With our acquisition of BSG Wireless, we serve more than 500 telecommunications service providers in over 100 countries. We serve most of the largest global wireless operators including AT&T Wireless, Sprint/Nextel, T-Mobile, Verizon Wireless, America Moviles, China Unicom, KDDI, TeliaSonera, Vodafone and SK Telecom. 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. For the year ended December 31, 2007, 21.7% of our total revenues (excluding off-network database query fees) were generated outside North America as compared to 18.5% for the year ended December 31, 2006. This was due to increasing sales to new and existing global customers including twelve months of sales in 2007 associated with our acquisition of ITHL as compared to six months in 2006. We expect this trend to continue in 2008 with our acquisition of BSG Wireless.

We generate the majority of our revenue on a per-transaction basis, and often receive revenue from multiple transactions during a single call or data session. The remainder of our revenue is generated from custom software development fees, hardware sales, professional services, and recurring, non-transaction fees for network connections and software maintenance.

Our total revenues for the year ended December 31, 2007 and 2006 were $377.5 million and $337.0 million, respectively. Our net income for the year ended December 31, 2007 and 2006 was $52.4 million and $89.7 million, respectively.

We have built our reputation over the past 20 years by designing comprehensive solutions that solve wireless technology complexities as new technology standards and protocols emerge. Our integrated suite of services includes:

- **Technology Interoperability Services.** We operate one of the largest wireless data clearinghouses globally, enabling the accurate invoicing and settlement of domestic and global wireless roaming telephone calls and wireless data events. We also provide SMS and MMS routing and translation services between operators. In addition, we expanded our SMS messaging gateway services to include interactive video and mobile broadband solutions, prepaid applications and value-added roaming services. We continued to expand our roaming fraud detection and prevention services with a near-real time roaming data exchange (NRTRDE) service and our roaming troubleshooting and resolution services with an operator customer service tool. For the year ended December 31, 2007, we generated $184.5 million of revenues in Technology Interoperability Services, which represented 48.9% of our total revenues for that period.
- **Network Services.** Through our SS7 network, we connect disparate wireless operator networks and enable access to intelligent network database services like caller ID and provide translation and routing services to support the establishment and delivery of telephone calls. SS7 is the telecommunications industry s standard network signaling protocol used by substantially all operators to

enable critical

Table of Contents

telecommunications functions such as number portability, toll-free calling services and caller ID. For the year ended December 31, 2007, we generated $124.8 million of revenues in Network Services, which represented 33.1% of our total revenues for that period.

Number Portability Services. Our leading number portability services are used by many wireless operators, including most domestic operators, to enable wireless subscribers to switch service providers while keeping the same telephone number. We also provide these services to all Canadian wireless operators, and we expect to begin providing number porting services in Singapore in the second half of 2008. For the year ended December 31, 2007, we generated $27.1 million of revenues in Number Portability Services, which represented 7.2% of our total revenues for that period.

Call Processing Services. We provide wireless operators with global call handling, signaling and fraud management solutions that allow wireless subscribers from one operator to make and accept telephone calls while roaming on another operator s network. For the year ended December 31, 2007, we generated $31.4 million of revenues in Call Processing Services, which represented 8.3% of our total revenues for that period.

Enterprise Solutions. Our enterprise wireless data management platform allows operators to offer large corporate customers reporting and analysis tools to manage telecom-related expenses. For the year ended December 31, 2007, we generated $4.1 million of revenues in Enterprise Solutions, which represented 1.1% of our total revenues for that period.

The completion of the BSG Wireless acquisition has resulted in the expansion of our clearinghouse capabilities in Europe, Asia and the Middle East and the expansion of our integrated suite of services to include:

Financial Settlement Services. BSG Wireless provides financial settlement services to GSM operators worldwide. BSG Wireless financial settlement services support the efficient and timely payment of roaming related charges by wireless operators to their roaming network partners across domestic and international boundaries.

Value-Added Roaming Services. BSG Wireless provides a suite of ancillary value-added roaming services to its customers, including re-rating, invoicing, reporting, tariff maintenance, inter-working services, TAP generation, conversion and affinity program services.

We also provide our customers with the ability to connect to various third-party intelligent network database providers. These providers charge us a per-transaction fee for access to their databases, which we pass on to our customers with little or no margin. We refer to these fees as Off-Network Database Query Fees. For the year ended December 31, 2007, we generated $5.6 million of revenues in Off-Network Database Query Fees, which represented 1.5% of our total revenues for that period.

Industry Summary

The global wireless industry has grown significantly since its inception as wireless services have become increasingly available and affordable. According to CTIA The Wireless Association, the U.S. wireless industry has grown from an estimated total subscriber base of 97.0 million in 2000 to 243.4 million by mid-year 2007, a 151% increase. CTIA also reported that twelve-month total wireless service revenues grew from $45.3 billion in 2000 to $133 billion in 2007, a 194% increase. Additionally, reported wireless minutes of use grew 18% year-over-year to over a trillion in June 2007. This expanding subscriber base and corresponding growth in industry revenues has been driven by improved service quality, greater national and international wireless roaming coverage, decreased pricing and the introduction of new messaging, wireless data and content services.

On a global basis, similar trends have been cited by Informa, an industry research firm. According to an Informa forecast:,

Total worldwide subscribers will rise by 42% from 2006 2011 to nearly 3 billion, while global roaming subscribers is expected to rise by 87% to 566 million over the same period.

5

Table of Contents

Global roaming revenues are expected to increase by 37% from 2006 2011 to nearly $53 billion, with a rising share of total revenues from roaming.

Data s share of mobile roaming revenues are expected to rise steadily from 2006 2011 to reach 18%.

Wireless industry growth has been accompanied by a steady introduction of new and often incompatible wireless technologies. This has resulted in the proliferation of different network architectures, including various mobile switch types (such as those manufactured by Alcatel-Lucent, Nortel, Ericsson and Motorola), diverse signaling standards (such as Code Division Multiple Access (CDMA), Time Division Multiple Access (TDMA), Global System for Mobile Communication (GSM), Integrated Digital Enhanced Network (iDEN) and Wi-Fi), distinct billing record formats (such as Cellular Intercarrier Billing Exchange Record (CIBER), Transferred Account Procedure (TAP) and Remote Authentication Dial-In User Service (RADIUS)) and multiple network protocols (such as Frame Relay, SS7 and Internet Protocol). This has created significant technological incompatibilities and operational challenges for wireless operators.

As a result, many wireless operators utilize third-party technology services providers like us to:

serve as a trusted intermediary for proprietary data exchange between competitive wireless operators;

provide centralized, single point connectivity to the systems and networks of multiple operators;

enable communication between new and legacy operator systems by resolving incompatibilities associated with geographic and operator variations in communication protocols;

simplify the operational challenges associated with operator differences in the timing of new technology deployment;

offer access to a range of intelligent network database services required for enhanced wireless services; and

rapidly develop new solutions to meet emerging wireless industry technology complexities and to support next generation services such as wireless data content and VoIP.

Market Opportunity

We expect the technology complexities and operational challenges faced by wireless operators to continue to grow as the wireless industry evolves. These complexities and challenges are driven by a variety of wireless industry trends including the growth in the number of wireless telephone subscribers, the volume of wireless roaming telephone calls and the growing volume of SMS and MMS messages. In addition, the emergence of next-generation wireless communication services such as VoIP, future government mandated changes, and new applications for existing communications services will drive future industry growth.

Technology Interoperability Services

The proliferation of incompatible wireless communication protocols, messaging/data formats and billing standards has made it increasingly difficult for operators to connect systems and networks and to share the information required to offer seamless global wireless voice and data services to subscribers. Technology service providers solve these interoperability problems by offering wireless roaming clearinghouse services, SMS and MMS messaging translation and routing services, and wireless data roaming facilitation and clearinghouse solutions to support emerging mobile data and premium content services.

Clearinghouses translate various network signaling and billing protocols to allow different wireless operators to offer and be compensated for roaming services. These wireless clearinghouses serve as trusted third parties for the collection, translation and distribution of the information required to monitor and invoice services provided by one operator to numerous other operators customers. Demand for clearinghouse services is primarily driven by the number of domestic and international wireless roaming subscribers. We expect that increased roaming traffic volumes will drive incremental technology interoperability and clearinghouse transaction volumes for the industry.

The growth of SMS and MMS messaging is also driving significant operational challenges for wireless operators. Cross-operator SMS messaging and MMS messaging requires extensive network connectivity and complex message protocol conversion between wireless operators. Operator-grade message translation and routing are critical to wireless operators who increasingly rely on messaging services to drive incremental revenue growth and to improve customer retention.

Portio Research, in its 2006 to 2011 market analysis of the SMS traffic and MMS traffic markets, reports strong growth. The group forecasts a compounded annual growth rate (CAGR) of 16% for SMS traffic between 2006 and 2011 and a 34% CAGR for MMS traffic over the same period.

Financial settlement services support the efficient and timely payment of roaming related charges by wireless operators to their roaming network partners across domestic and international boundaries.

The emergence of mobile data and premium content services are also driving operator demand for clearinghouse services, translation services and roaming facilitation services. This growth has been and will continue to be supported by the deployment of next generation wireless data networks. We believe the increase in wireless data roaming and growing demand for premium content will drive the need for wireless data clearinghouse services that simplify network connectivity and the exchange of invoicing data between multiple operators.

Network Services

SS7 networks are a core element of today s telecommunications infrastructure. SS7 is the telecommunications industry s standard network signaling protocol used by substantially all operators to enable the setup and delivery of telephone calls and to offer enhanced calling features like caller ID. Outsourced network services provide operators cost effective, single point connectivity to an SS7 network, other widely used communication networks and critical databases. As a result, operators avoid the cost and complexity of managing individual network connections to multiple operators, eliminate the expense of licensing and maintaining intelligent network databases and reduce the need for building capital-intensive network infrastructure. Drivers of network services include wireless subscriber growth, wireless roaming call volume growth, wireless roaming data growth and SMS messaging volume growth. In addition, we also expect the emergence of new services to drive demand for network services.

Demand for SS7-based signaling and associated database applications is growing. Continued wireless subscriber growth and call volume growth are expected to drive increased SS7 signaling volumes. SS7 signaling also provides operators access to a variety of intelligent network services such as database applications (caller ID, 800 service and local number portability).

In addition, wireless data roaming requires operators to support packet-switched, Internet Protocol-based communications protocols including General Packet Radio Service (GPRS), High Speed Packet Access (HSPA), 1 x Radio Transmission Technology (1xRTT), and 1 x Evolution Data Optimized (1xEV-DO) (technology designed to double voice capacity and support faster data transmission). Technology service providers support wireless data roaming services and enable subscribers to access their home wireless data services (such as public Internet, corporate intranets, e-mail and m-commerce) while abroad or beyond the reach of their home network. The emergence of Internet Protocol-based signaling solutions and database services associated with VoIP will also require network, routing and translation services to communicate with legacy networks. VoIP offers traditional voice telephone services but at a significantly lower cost by bypassing the traditional telephone network.

Number Portability Services

In 1996, the Federal Communications Commission (FCC) mandated number portability services to encourage competition by permitting wireless subscribers to change operators while retaining their current telephone numbers. In 2005, Canadian regulators also mandated wireless number portability. Also, other jurisdictions around the world are mandating the implementation of number portability services. To facilitate the portability of wireless telephone numbers, operators exchange information with other operators and transmit information to regional number portability databases in order to support call routing. Implementation of number portability services impacts nearly every system within operator operations including network signaling and routing, switching, billing, point of sale and customer care.

Technology service providers enable wireless operators to implement number portability services to their customers by streamlining the ordering and communication processes that organize, prioritize and route number portability transactions between wireless operators and industry databases. These services must be able to route and track the multiple transactions involved in porting numbers between service providers, identify and facilitate problem resolution, manage the unique challenges of porting between wireline and wireless operators, and interface to operators who have chosen less automated porting solutions.

Following the introduction of number portability services in the U.S., the wireless industry experienced rapid consumer adoption. We expect the drivers of number portability services demand will be continued operator competition, greater customer awareness and increased regulatory focus, and adoption of number portability services in other countries around the world.

Call Processing Services

Call processing solutions support the proper authentication, handling and routing of telephone calls in order to reduce fraud and to allow wireless subscribers to make and accept telephone calls while roaming on another operator s network. Wireless roaming growth is causing new call routing and delivery complexities for operators. Due to geographic and operator differences in subscriber verification, call delivery and signaling network protocols, these services require extensive data management capabilities.

Drivers of call processing demand include international wireless subscriber growth, international wireless roaming call volume growth and ongoing subscriber issues. Operators are increasingly using SS7 networks to replace traditional call processing functionality and to address wireless subscriber fraud issues.

Products and Services

We offer the following integrated suite of services.

Technology Interoperability Services

We operate one of the largest wireless clearinghouses globally that enables the accurate invoicing and settlement of domestic and global wireless roaming telephone calls and wireless data events. We also provide SMS and MMS routing and translation services between operators. We are a trusted intermediary and primary connection point between hundreds of wireless operators. In addition, we provide roaming facilitation services that enable seamless domestic and global wireless voice and data services. In 2006, we expanded our mobile data solutions to include interactive video and mobile broadband solutions, prepaid applications and value-added roaming services through our acquisition of Interactive Technologies Holdings Limited business (ITHL). We primarily generate revenue by charging per-transaction processing fees pursuant to long term contracts. We expect that increasing wireless roaming, mobile data and SMS and MMS volume and our acquisition of ITHL will drive growth in our technology interoperability services.

Table of Contents

Our technology interoperability services include:

- **Data Clearinghouse Services.** We process and exchange proprietary subscriber roaming usage data on a secure and confidential basis to support financial settlement between wireless operators. Our clearinghouse services support multiple billing formats including TAP for GSM operators and CIBER for TDMA and CDMA operators. We also support Remote Authentication Dial-In User Service (RADIUS) and IPDR formats for wireless data transactions including messaging, m-commerce, content, and location-based applications. Operators use our solutions to access custom, on-line reports providing business intelligence, trends and daily and monthly summaries of key data. Operators use these reports to track their net financial positions with their roaming partners.

- **Messaging Services.** Our messaging services reliably translate, route and deliver SMS, MMS and other message formats across disparate operator networks. We accomplish the translating, routing and delivering of messages by mapping a message to a phone number, determining the appropriate operator, routing the message accurately and resolving incompatibility issues among CDMA, TDMA, GSM and VOIP operators. Messages may be initiated peer to peer between wireless subscribers, originated from premium content providers or broadcast by an enterprise or community alerting application. Our services can deliver messages domestically and globally to multiple devices and platforms.

- **Roaming Facilitation.** Our roaming facilitation capabilities allow wireless subscribers to receive voice and data services while roaming on another operator s network, regardless of differing technology standards. We simplify inter-standard and global voice roaming by providing operators with subscriber call origination, automatic call delivery and subscriber invoicing data. In addition, we offer value-added services to operators to improve the subscribers experience while increasing the operators roaming revenues.

- **Mobile Data Services.** Our mobile data services include interactive video services and mobile broadband solutions. These services provide operators with the ability to manage and control their data networks while improving the type and quality of service their subscribers receive. Additionally, we provide advanced video services that take advantage of 3G video telephony technology allowing operators to add high revenue services to attract subscribers to their new 3G networks.

- **Near Real Time Roaming Data Exchange.** Our near-real time roaming data exchange (NRTRDE) service helps to reduce the losses wireless operators suffer from fraud by simplifying the management of roaming data collection, translation, and routing between wireless operators.

The completion of the BSG Wireless acquisition has resulted in an expansion of our clearinghouse capabilities in Europe, Asia and the Middle East and the expansion of our integrated suite of services to include:

- **Financial Settlement Services.** We provide financial settlement services to GSM operators worldwide. Our financial settlement services support the efficient and timely payment of roaming related charges by wireless operators to their roaming network partners across domestic and international boundaries.

- **Value-Added Roaming Services.** We provide a suite of ancillary value-added roaming services to our customers, including re-rating, invoicing, reporting, tariff maintenance, inter-working services, TAP generation, conversion and affinity program services.

Major customers who utilize our technology interoperability services include Verizon Wireless, T-Mobile, Sprint Nextel, AT&T, VimpelCom, TeliaSonera, KPN, Orange, Hutchinson Telecom, Vodafone, Alltel, U.S. Cellular, SK Telecom, KDDI, China Unicom and SFR.

Network Services

We interconnect wireless operators through our SS7 network to a suite of intelligent database services and provide wireless and wireline call signaling services. Our intelligent database services include caller ID, local number portability, line information database and toll-free number routing. Operators also use our SS7 signaling solutions to set-up, translate and route wireless telephone calls both domestically and globally. We also provide operators cost-effective, single-point connectivity to other widely used communication networks (such as Frame Relay and Internet Protocol) to support wireless voice, SMS messaging, MMS messaging, VoIP and data roaming services.

By operating one of the largest independent SS7 networks, we provide our customers access to substantially the entire U.S. public-switched telecommunications network, global connectivity, operator-grade reliability and intelligent network services. Our network architecture provides a robust, reliable, and highly redundant signaling platform. In addition, our intelligent network databases also permit operators to offer value-added calling features to their customers.

Our primary network services include intelligent network database services, SS7 network services and network connectivity services. We generate revenues from these services primarily by charging per-transaction processing fees, circuit fees, port fees and software license fees. We anticipate that growth in wireless subscriber and roaming volume, mobile data services and SMS volume and VoIP service uptake will contribute to increased demand for our network services.

Our network services include:

SS7 Network Services. We operate one of the largest independent SS7 networks in the United States. Our SS7 network supports the call set-up, routing and delivery of wireless and wireline telephone calls and supports access to intelligent network database services. Our global signaling gateway for wireless operators and other network providers translates between the predominant North American signaling standard (American National Standards Institute SS7) and other global signaling standards such as International Telecommunications Union C7. We also provide wireless operators with valuable network analysis tools that monitor subscriber activity.

Network Connectivity Services. Our network connectivity services provide wireless operators cost-effective single-point connectivity to many widely used communication networks such as Frame Relay and Internet Protocol. We manage network circuits that interconnect operators cell sites and switches across local and regional boundaries. We also provide a suite of services that enables subscribers to have seamless access to their home operators GPRS, HSPA (GSM) or 1x-RTT, 1xEVDO (CDMA) data network while roaming both nationally and globally. This Internet Protocol based virtual private network offers secure access to home based e-commerce, public Internet, corporate intranets and e-mail systems to roaming subscribers.

Intelligent Network Database Services. Our intelligent network database services enable operators to offer enhanced services and features to subscribers. Our caller ID service provides access to calling name databases, allowing operators to query regional Bell operating companies and other major independent telephone operators to reduce the name not available messages that subscribers receive. We also manage and operate a database for storage of calling name records. We provide access to all U.S. regional number portability databases to support call routing to subscribers who have ported their telephone number to a different service provider. We also access databases that provide routing for toll free numbers. We access line information databases to provide enhanced services such as validating telephone numbers, billing information and calling card data.

Major customers who utilize our network services include AT&T, T-Mobile, Verizon Wireless, Rogers Wireless, RadioMovil, Centennial Communications and China Unicom.

Number Portability Services

We are the leading provider of wireless number portability services to U.S. and Canadian operators, as well as operators in other countries, including Singapore. These services enable wireless subscribers to switch operators while keeping the same telephone number. As number portability-related technology and operational complexities were identified, we developed solutions that facilitated the exchange of information between operators and transmitted information to regional industry databases. These services route and track the multiple transactions involved in porting numbers between service providers and identify and facilitate problem resolution when porting transactions are not successful. These services also manage the unique challenges of porting numbers between wireless and wireline operators and from operators who have chosen to manually process porting transactions.

Our number portability services consist of transaction processing services that enable the inter-operator communications required to port telephone numbers between wireless operators and to streamline the ordering and communication process to regional industry databases that track number ownership. We also enable wireless operators to exchange ported telephone numbers and associated messages with wireline and VoIP operators.

We have been designated as a master database administrator in Singapore, expanding our suite of number portability services. Our centralized number portability database solution for Singapore will supply all mobile operators with the ability to port numbers by providing the ability to agree and coordinate ports between themselves. In the future, we will also support fixed and emerging operators who require to port numbers in Singapore. In addition, our solution will maintain the master routing database for ported numbers and provide updates to operators for use in routing calls or SMS messages. We expect to begin providing these services in the second half of 2008.

We generate revenues from number portability services primarily by charging per-transaction fees and fixed fees. We anticipate that wireless subscriber growth, increases in industry churn rates and international implementation of number portability present opportunities for us to grow our number portability services operations.

Call Processing Services

We provide global call handling and fraud management solutions that enable wireless subscribers from one operator to make and receive telephone calls while roaming on another operator s network. We support global roaming by connecting wireless operators and by resolving geographic and operator differences in subscriber verification, call delivery and signaling network protocols. We also offer wireless operators comprehensive fraud detection and fraud prevention 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 receive service while roaming on another operator s network, the subscriber s home operator must validate the subscriber as an authorized subscriber. We have addressed these subscriber authentication and call delivery complexities by developing solutions that translate and convert various network and signaling protocols. Our comprehensive, 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 include signaling solutions and fraud prevention services. We generate revenues from these services primarily by charging per-transaction processing fees.

Our Call Processing Services include:

Signaling Solutions. Our services verify a subscriber s eligibility to receive service while roaming in another operator s market. Our signaling solutions also resolve conflicting global numbering plans and overlapping system identifiers to allow subscribers to roam when the visited service provider may not normally recognize the subscriber.

Fraud Prevention Services. We provide multiple services to operators to minimize the financial losses associated with subscriber fraud. Our fraud profiling solutions collect usage data from mobile switches to create a unique profile for each subscriber based upon the subscriber s call activity.

Enterprise Solutions

We enable wireless operators to offer billing consolidation and data management services to large enterprise customers. Our solutions consolidate customer usage data on to one invoice and offer robust online reporting and analysis tools that enable enterprise customers to manage their telecommunications-related costs. We generate revenues from this service on a per-subscriber processing fee.

Customers

With our acquisition of BSG Wireless, we serve more than 500 telecommunications service providers in over 100 countries. We serve most of the largest global wireless operators including AT&T Wireless, Sprint/Nextel, T-Mobile, Verizon Wireless, America Movil, China Unicom, KDDI, TeliaSonera, Vodafone and SK Telecom. 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 49.1% of our revenues for the year ended December 31, 2007. Verizon Communications, Verizon Wireless and their affiliates, which collectively is our largest customer, accounted for approximately 14.9%, 17.6%, and 16.7%, of our revenues for the years ended December 31, 2007, 2006 and 2005, respectively. The percentage of our revenues derived from customers outside the United States was 26.7%, 22.6% and 13.9% for the same periods, respectively.

Competitive Strengths

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

Leading provider of roaming enablement, signaling and interoperability solutions to the wireless industry. We believe we are the leading provider of roaming, signaling and interoperability solutions to wireless operators worldwide. Our solutions allow wireless operators to deliver seamless voice, data and next-generation services to wireless subscribers, including roaming, SMS, MMS, caller ID, number portability and wireless value-added video services. We believe our extensive experience solving interoperability challenges of the wireless industry positions us well as new technology incompatibilities and complexities emerge with the introduction of new wireless services.

Global customer base. With our recent acquisition of BSG Wireless, we currently provide our services to more than 500 operators in over 100 countries.

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

Extensive and collaborative relationships. We maintain collaborative relationships with many of our customers and have jointly developed applications and services designed specifically to meet their business requirements. This unique positioning enables us to more effectively anticipate, identify and address evolving industry needs and opportunities.

Proven track record of technology innovation enables us to address the evolving needs of our customers. We have a long history of providing solutions to the wireless industry for over 20 years. Moreover, we believe that we are and will continue to be a leading developer and provider of next-generation technology services to wireless operators. These services include messaging, wireless data, interactive video, VoIP and other IP-based solutions.

12

Comprehensive suite of services makes us a leading provider of mission-critical services. We believe that the breadth of our integrated solutions distinguishes us from our competitors, many of whom offer a single or limited set of services. In addition, we believe that the mission-critical nature of our services, our established operator relationships and our performance track record make us the technology services provider of choice for many of our customers.

Experienced management team with deep customer relationships. Our senior management team has significant industry knowledge and deep customer relationships developed over an average of 20 years of telecommunications and technology industry experience.

Growth Strategy

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

Continue to expand globally. We are aggressively pursuing global expansion opportunities in new markets. We have continued to expand our sales and support offices in Europe, Asia Pacific and Latin America. This expansion has helped us win contracts with leading operators in many countries including the United Kingdom, France, China, Italy, Russia and India. For the year ended December 31, 2007, 21.7% of our total revenues (excluding off-network database query fees) were generated outside of North America as compared to 18.5% for the year ended December 31, 2006, which includes twelve months of sales in 2007 by ITHL as compared to six months in 2006. We expect the percentage of our revenue generated outside North America to increase due to increasing sales to new and existing global customers and the acquisition of BSG Wireless.

Capitalize on growth in wireless data services. Our revenue from data services increased 174.1% for the year ended December 31, 2007 compared to the same period in 2006. We expect to further capitalize on the growth in wireless messaging, content and video traffic. We currently provide technology interoperability and network services solutions that enable the seamless transmission, delivery and billing of wireless data services between operators. As wireless data usage increases, we expect demand for our services to grow. In addition, we expect to continue to develop new innovative services such as new wireless data formats, protocols and standards are deployed by the wireless industry.

Continue to broaden our services suite and develop new customer solutions. We believe that we are well positioned to develop innovative services that solve complexities associated with new market participants and new technologies. For example, we have expanded our UniRoam platform to handle both voice and data roaming. In addition, we are currently launching next-generation services with existing customers, including IP-to-wireless operator interconnectivity, video peering, ENUM, NRTRDE and messaging hub.

Further penetrate our existing customer base. We have been successful at selling new services to our existing customers. For example, we have signed contracts to protect more than 65 operators around the globe, including 25 in Europe, against the growing risk of roaming fraud with the use our DataNet product, which is a comprehensive NRTRDE solution developed to maximize protection against roaming fraud on operator networks. We intend to continue to sell incremental services to our existing customers to further diversify our revenue and increase per-customer revenues.

Improve operational efficiencies. We continue to seek opportunities to more efficiently manage our business in order to maximize our operational effectiveness, competitiveness and profitability. We anticipate furthering these efforts as we continue our global expansion. We are consolidating and integrating technology and operational platforms which we expect will generate significant cost saving synergies.

Pursue strategic acquisitions. We continue to seek opportunities to acquire businesses that expand our range of services, increase economies of scale, provide opportunities to increase our customer base and

cross-selling opportunities and enter new geographies. For example on December 19, 2007, we acquired BSG Wireless, a leading provider of wireless data clearing and financial settlement services for worldwide GSM operators. In June 2006, we acquired ITHL, a leading provider of value-added services to operators in the Asia Pacific region. In September 2004, we acquired the North American wireless clearinghouse business of Electronic Data Systems.

Sales and Marketing

As of December 31, 2007, our sales and marketing organizations included 115 people (excluding employees associated with our acquisition of BSG Wireless) who identify and address customer needs and concerns, deliver comprehensive services and offer a comprehensive customer support system.

Sales. Our sales department is geographically diverse and globally focused. Sales directors are organized geographically with global offices responsible for North America, Caribbean and Latin America, Asia Pacific and Europe/Middle East/Africa. Account managers are product specialists and work as a team to respond to customer needs. Compensation is composed of an industry-competitive base salary and a variable component based on sales quota attainment.

Marketing. Our marketing organization is comprised primarily of product managers and marketing services employees. Working with the sales organization, product managers are responsible for managing the product s positioning throughout the life cycle as well as managing costs and pricing. These responsibilities include developing strategic product and market plans, specifying product requirements, planning development resources and managing product launches.

Technology and Operations

Technology

As of December 31, 2007, Syniverse Technology Group was comprised of 288 professionals (excluding employees associated with our acquisition of BSG Wireless). This group performs all functions associated with the design, development, testing, implementation and operational support of Syniverse s services. The primary functions of the Technology group include Product Development and Life Cycle, Operational Support Services and Technology Services.

Product Development and Life Cycle. Delivers new product developments, enhancements and maintenance releases and develops integrated solutions that address customer needs across multiple areas including billing, messaging, decision support and reporting.

Operational Support Services. Provides 24x7 operational product support to ensure a high level of service and system availability.

Technology Services. Responsible for maintaining the high overall quality of customer service through centralized testing, system/data base administration and configuration management.

Research & Development. Responsible for researching new telecommunications technologies and identify solutions which facilitate technology migration and interoperability functionality for operators.

Operations

As of December 31, 2007, we had 152 employees (excluding employees associated with our acquisition of BSG Wireless) dedicated to managing internal operations and customer support functions. Key functions include:

Customer Service, Documentation and Training. Provides front-line support for our global customers. Documentation and Training group publishes the technical documentation accompanying portfolio of services in multiple languages and also travels nationally and globally to provide strategic customer training.

Table of Contents

Operator Business Process Outsourcing. Manages the outsourcing of operators   personnel operations.

Internal Operations Support. Manages internal hardware and software technology program as well as the Local Area Network, Internet, email and departmental servers for the employees. Other internal operations functions include information security, facilities management and disaster recovery.

As of December 31, 2007, we had 94 employees (excluding employees associated with our acquisition of BSG Wireless) dedicated to network provisioning, monitoring and support.

Network Operations Center. We maintain a state-of-the-art Network Operations Center that actively monitors applications, network and connections to customers. The Network Operations Center provides support both domestically and globally 24 hours a day, seven days a week, 365 days a year. The Network Operations Center proactively identifies potential application, operating system, network, switch connectivity and call processing problems. These problems are managed through resolution with customers in conjunction with Inter-Exchange Operators, Local Exchange Operators, field engineering, the Company   s internal product support and development teams and vendors.

Network Services. Designs, develops and supports our SS7 and Internet Protocol-based Intelligent Network Service offerings. Employees within Network Services work closely with other functional departments and vendors to ensure that Syniverse is engineering and monitoring cost effective and reliable network solutions which meet customers   needs.

Employees

As of December 31, 2007, we had approximately 1,128 employees (including 170 associated with our acquisition of BSG Wireless). None of the employees are represented by a union. Management believes that employee relations are good.

Competition

We believe we are the only company that offers an extensive suite of technology interoperability services, network services, number portability services, call processing services and enterprise solutions to telecommunications operators. However, we compete with a number of U.S. and international companies in specific areas of our business.

Technology Interoperability Services. Our primary competitors include MACH, VeriSign and Sybase 365. Certain wireless operators also choose to deploy in-house interoperability and billing solutions for clearing internal and affiliate traffic.

Network Services. Our competitors for SS7 network connectivity and intelligent network services include VeriSign, Southern New England Telephone (SNET   a division of AT&T), Transaction Network Services, VNSL and regional Bell operating companies. Wireless and wireline operators may also choose to deploy and manage their own in-house SS7 networks. Our network services compete with a variety of operators including VeriSign and Aicent in the U.S. and Cable & Wireless, Global Crossing, France Telecom, KPN and Qwest internationally.

Number Portability Services. Our primary competitors in the United States for number portability services are VeriSign, NeuStar and Telcordia. Internationally, primary competitors include Telcordia, Neustar and Accenture as well as several other smaller companies.

Call Processing Services. Our call processing services primarily compete with products from Teleglobe.

Enterprise Solutions. Certain wireless operators have developed their own services for enterprise account management.

Table of Contents

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

Certain services we offer are subject to regulation by the FCC that could have an indirect effect on our business. In particular, end-user revenues from selected services are used to determine our contribution to the FCC s Universal Service Fund. Additionally, we are registered with certain state utility regulatory commissions to resell private line services. Some of our customers may also be subject to federal or state regulation that could have an indirect effect on our business. We do not offer voice-grade or data services that are deemed to be common carrier telecommunications services.

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, the violation of which could lead to significant fines and penalties. 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 could also be subject to laws, such as the Comprehensive Environmental Response, Compensation, and Liability Act, 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 are currently liable under the Comprehensive Environmental Response, Compensation, and Liability Act or any other similar 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 attempt to protect our intellectual property rights in the United States and in foreign countries through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and agreements preventing the unauthorized disclosure and use of our intellectual property. We currently maintain approximately 186 registrations and 68 applications in approximately 50 countries covering over 40 separate and distinct marks; 11 patents and 17 patent applications, several jointly-owned with Verizon Wireless in the United States and in foreign countries; and 40 U.S. Copyright Registrations and 4 pending applications covering numerous software applications. 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.

Market, Ranking and Other Data

The data included herein regarding markets and ranking, including the size of certain service markets and our position and the position of our competitors and customers within these markets, is based on independent industry publications, reports from government agencies or other published industry sources and our estimates are based on our management s knowledge and experience in the markets in which we operate. When we rank our customers by size, we base those rankings on the number of subscribers our customers serve. When we describe our market position, we base those descriptions on the number of subscribers serviced by our customers.

Table of Contents

Our estimates have been based on information obtained from our customers, suppliers, trade and business organizations and other contacts in the markets in which we operate. We believe these estimates to be accurate as of the date of this annual report. However, this information may prove to be inaccurate because of the methods by which we obtain certain data for our estimates, because this information cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in a survey of market size. In addition, the provided market data is not a guaranty of future market characteristics because consumption patterns and consumer preferences can and do change.

Available Information

Our internet website address is www.syniverse.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13 or 15(d) of the Exchange Act are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission. Our website and the information contained or incorporated therein are not intended to be incorporated into this report.

Financial Information About Segments

Financial information about segments is incorporated herein by reference to Note 2 of our consolidated financial statements included in Item 8.

Table of Contents

ITEM 1A. RISK FACTORS

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

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

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

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

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

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

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

Our three largest customers for the year ended December 31, 2007 represented approximately 26.5% of our revenues in the aggregate, while our ten largest customers for the year ended December 31, 2007 represented approximately 49.1% of our revenues in the aggregate. For the year ended December 31, 2007, we generated revenues from services provided to Verizon Communications, Verizon Wireless and their affiliates, which collectively is our largest customer, of approximately $56.2 million, or 14.9% of our revenues. No other customer accounted for more than 10% of our revenues for the year ended December 31, 2007. We expect to continue to depend upon a small number of customers for a significant percentage of our revenues. Because our major customers represent such a large part of our business, the loss of any of our major customers would negatively impact our business.

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

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

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

In the past, consolidation among our customers has caused us to lose transaction volume and to reduce prices. In the future, our transaction volume and pricing may decline for similar reasons. We may not be able to expand our customer base to make up any revenue declines if we lose customers or if our transaction volumes decline. Our attempts to diversify our customer base and reduce our reliance on particular customers may not be successful. Within the past few months, several transactions have been announced but are not yet closed. While the impact of these transactions cannot yet be determined, each of the companies involved in the announced transactions are customers of ours, and the consummation of these transactions could cause us to lose transaction volume and reduce prices.

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

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

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

We compete in markets that are intensely competitive and rapidly changing. Increased competition could result in fewer customer orders, reduced pricing, reduced gross and operating margins and loss of market share, any of which could harm our business. We face competition from large, well-funded providers of similar services, such as VeriSign, Neustar, Sybase, MACH, Amdocs, Convergys and other existing communications, billing and technology companies. We also believe that certain customers may choose to internally deploy certain functionality currently provided by our services. In recent years, we have experienced a loss of revenue streams from certain of our services as some of our customers have decided to meet their needs for these services in-house. We are aware of major Internet service providers, software developers and smaller entrepreneurial companies that are focusing significant resources on developing and marketing services that will compete with the services we offer. We anticipate increased competition in the telecommunications industry and the entrance of new competitors into our business.

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

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

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

- the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- fluctuations in currency exchange rates;
- foreign customers may have longer payment cycles than customers in the U.S.;
- U.S. Department of Commerce export controls;

Table of Contents

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

For the year ended December 31, 2007, 21.7% of our total revenues (excluding off-network database query fees) were generated outside of North America as compared to 18.5% for the year ended December 31, 2006. As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. However, any of these factors could result in higher costs or reduced revenues for our international operations.

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

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

- greater than expected costs, management time and effort involved in identifying, completing and integrating acquisitions;
- potential disruption of our ongoing business and difficulty in maintaining our standards, controls, information systems and procedures;
- entering into markets and acquiring technologies in areas in which we have little experience;
- acquiring intellectual property which may be subject to various challenges from others;
- the inability to successfully integrate the services, products and personnel of any acquisition into our operations;
- the inability to achieve expected synergies;

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

realizing little, if any, return on our investment.

Integrating our operations with the BSG Wireless operations may prove to be disruptive and could result in the combined businesses failing to meet our expectations.

We expect to integrate the operations of BSG Wireless into our own and achieve certain cost saving synergies. We cannot be sure that we will realize these anticipated benefits in full or at all. Achieving the expected benefits from the acquisition will depend, in part, upon whether the operations and personnel of BSG Wireless can be integrated in an efficient and effective manner with our existing business. Our management team may encounter unforeseen difficulties in managing the integration of the two businesses. Additionally, difficulties in integration may result in adverse developments in our relationships with customers and suppliers.

The process of integrating formerly separately operated businesses may prove disruptive to both businesses, may take longer than we anticipate and may cause an interruption of and have a material adverse effect on our combined businesses.

Even if we are able to successfully integrate the business of BSG Wireless into our operations, we may not realize the anticipated cost saving synergies of the BSG Wireless acquisition on the time table currently contemplated, or at all.

The BSG Wireless acquisition was based, in part, on the expectation that the acquisition would result in various cost saving synergies. Even if we are able to successfully integrate the business of BSG Wireless into our operations, there can be no assurance that we will realize the expected cost saving synergies on the timetable currently contemplated, or at all. We expect to incur significant restructuring charges (including severance) and transition expenses in connection with these cost saving synergies. Achieving the expected cost saving synergies, as well as the costs of achieving them, is subject to a number of uncertainties and other factors. If these factors limit our ability to achieve the expected cost saving synergies of the pending acquisition or if the related costs exceed our estimates, our expectations of future results of operations, including the cost saving synergies expected to result from the acquisition, may not be met. Additionally, the actions we take to achieve cost saving synergies could have unintended consequences that adversely affect our business. If we encounter difficulties in achieving the expected cost saving synergies or do not achieve such cost saving synergies, we incur significantly greater costs related to such cost saving synergies than we anticipate or our activities related to such cost saving synergies have unintended consequences, our business, financial condition and results of operations could be adversely affected.

The acquisition of BSG Wireless may result in a loss of employees.

Despite our efforts to retain employees, including key employees, we might lose some of the employees of BSG Wireless or our own employees as a result of the acquisition. Some of the BSG Wireless employees may not want to work for a U.S. based publicly-traded company or may not want to assume the different duties, positions and compensation that may be offered to them. The contribution of the BSG Wireless business to our future performance will depend in part on the continued service of key members of BSG Wireless personnel. Competitors may recruit employees during integration. As a result, our employees or BSG Wireless employees could resign with little or no prior notice. We cannot assure you that subsequent to the acquisition, we will be able to attract, retain and integrate employees.

Difficulty in integrating technology may harm our business.

Following the acquisition of BSG Wireless, we have begun to integrate certain technology platforms. This process may be slower or more difficult than we currently contemplate. Furthermore, we may encounter unanticipated difficulties in this process, which could cause integration difficulties and customer disruptions. The measures that we have taken to date or plan to take in the future may not adequately resolve those issues. If we fail to successfully integrate technology platforms, our ability to achieve cost efficiencies expected to result from the acquisition of BSG Wireless may be impaired, which may adversely affect our future financial position, results of operations and customer relationships.

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

Competition and industry consolidation have resulted in pricing pressure, which we expect to continue in the future and which we expect to continue to address through our volume-based pricing strategy. This pricing pressure could cause large reductions in the selling price of our services. For example, consolidation in the wireless services industry in the United States over the past several years could give our customers increased transaction volume leverage in pricing negotiations. Our competitors or our customers in-house solutions may also provide services at a lower cost, significantly increasing pricing pressures on us. While historically pricing

Table of Contents

pressure has been largely offset by volume increases and the introduction of new services, in the future we may not be able to offset the effects of any price reductions.

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

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

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

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

Our business also depends upon the capacity, reliability and security of the infrastructure owned and managed by third parties, including our vendors and customers, that is used by our technology interoperability services, network services, number portability services, call processing services and enterprise solutions. We have no control over the operation, quality or maintenance of a significant portion of that infrastructure and whether those third parties will upgrade or improve their software, equipment and services to meet our and our customers evolving requirements. We depend on these companies to maintain the operational integrity of our services. If one or more of these companies is unable or unwilling to supply or expand its levels of service to us in the future, our operations could be severely interrupted. In addition, rapid changes in the telecommunications industry have led to industry consolidation. This consolidation may cause the availability, pricing and quality of the services we use to vary and could lengthen the amount of time it takes to deliver the services that we use.

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

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

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

Historically, the telecommunications sector has experienced significant challenges resulting in excess capacity, poor operating results and financing difficulties. Because we operate in the telecommunications sector, we may also be negatively impacted. While the sector has recently improved, some of our customers continue to have uncertain financial conditions. The impact of these conditions on us could include slower collections on accounts receivable, higher bad debt expense, uncertainties due to possible customer bankruptcies, lower pricing on new customer contracts, lower revenues due to lower usage by the end customer and possible consolidation among our customers, which will put our customers and operating performance at risk.

Table of Contents

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

We may require more capital in the future to:

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

We cannot assure you that additional financing will be available on terms favorable to us, or at all. The terms of available financing may place limits on our financial and operating flexibility. In addition, our senior credit facility and the indenture governing our 7 $^{3}/4$% senior subordinated notes contain financial and other restrictive covenants that will limit our ability to incur indebtedness or obtain financing. If adequate funds are not available on acceptable terms, we may be forced to reduce our operations or abandon expansion opportunities. Moreover, even if we are able to continue our operations, our failure to obtain additional financing could reduce our competitiveness as our competitors may provide better-maintained networks or offer an expanded range of services.

Our substantial indebtedness could have a material adverse effect on our financial health and prevent us from fulfilling our obligations.

We have significant debt service obligations. As of December 31, 2007, we had outstanding indebtedness of approximately $522.9 million (including the current portion of $3.5 million). We are the borrower of all of this outstanding indebtedness.

Our substantial debt could have important consequences to investors. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, which will reduce the funds available for working capital, capital and development expenditures, acquisitions and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in the manufacture, production, distribution or marketing of our services, customer demand, competitive pressures and the industries we serve;
- place us at a competitive disadvantage compared to our competitors that are less leveraged than we are;
- increase our vulnerability to both general and industry-specific adverse economic conditions; and
- limit our ability to borrow additional funds.

We may incur substantial additional debt in the future. The addition of further debt to our current debt levels could intensify the leverage-related risks that we now face.

In addition, our debt contains financial and other restrictive covenants that may limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default, which if not cured or waived, could result in the acceleration of all our debts.

Our stock price may be volatile.

The trading price of our common stock could be subject to wide fluctuations in response to various factors, some of which are beyond our control, such as:

- actual or anticipated variations in quarterly results of operations;

Table of Contents

- changes in intellectual property rights of us or our competitors;
- announcements of technological innovations;
- the introduction of new products or changes in product;
- pricing by us or our competitors;
- changes in financial estimates by securities analysts;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- additions or departures of key personnel; and
- generally adverse market conditions.

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

Although we do not offer voice-grade or data services that are deemed to be common carrier telecommunication services, certain of the services we offer are subject to regulation by the Federal Communications Commission (FCC) that could have an indirect effect on our business. The U.S. telecommunications industry has been subject to continuing deregulation since 1984 and the European and Asian telecommunications industries are also subject to continued deregulation. We cannot predict when, or upon what terms and conditions, further regulation or deregulation might occur or the effect regulation or deregulation may have on our business. Several services that we offer may be indirectly affected by regulations imposed upon potential users of those services, which may increase our costs of operations. In addition, future services we may provide could be subject to direct regulation.

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

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

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

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

the United States because of the differences in foreign trademark, patent and other laws concerning proprietary rights. Such failure or inability to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

Fluctuations in currency exchange rates may adversely affect our results of operations.

A growing part of our business consists of sales made to customers outside the United States. A portion of the net revenues we receive from such sales is denominated in currencies other than the U.S. dollar. Additionally,

Table of Contents

portions of our cost of net revenues and our other operating expenses are incurred by our international operations and denominated in local currencies. While fluctuations in the value of these net revenues, costs and expenses as measured in U.S. dollars have not materially affected our results of operations historically, we cannot assure you that adverse currency exchange rate fluctuations will not have a material impact in the future. In addition, our balance sheet reflects non-U.S. dollar denominated assets and liabilities, primarily inter-company balances, which can be adversely affected by fluctuations in currency exchange rates.

As a result of the secondary offering in November, 2007, we may be limited in our ability to utilize net operating loss carryforwards to reduce our future tax liability.

As of December 31, 2007, our consolidated group had net operating loss carryforwards, or NOLs, for U.S. federal income tax purposes of approximately $46.1 million. Section 382 of the Internal Revenue Code of 1986, as amended (the Code), imposes an annual limitation on the use of a corporation s NOLs if the corporation undergoes an ownership change during a three year testing period. The sale of our shares in November, 2007 caused an ownership change within the meaning of section 382(g). This ownership change will subject our NOLs to an annual use limitation that may restrict our ability to use them to offset our taxable income. We do not believe this ownership change will materially limit the utilization of our NOLs.

In general, an ownership change occurs if, on any testing date, the beneficial ownership of the corporation by one or more 5-percent shareholders has increased, in the aggregate, by more than 50 percentage points over the respective lowest ownership percentages of such 5-percent shareholders during the testing period preceding such date. The change in our share ownership caused by the November, 2007 offering caused the aggregate change during the testing period to exceed the 50 percentage point threshold. As a result, the maximum amount of pre-change NOLs that can be used to offset our taxable income in any given post-change year will be limited to the product of (1) the value of our equity immediately prior to the ownership change, subject to certain adjustments, and (2) the applicable federal long-term tax-exempt interest rate published by the Internal Revenue Service.

Future changes in the direct or indirect beneficial ownership of our common stock, which may be beyond our control, could trigger another ownership change and thus further limit, or possibly eliminate altogether, our ability to use these NOLs in subsequent taxable years.

Additionally, our consolidated group succeeded to approximately $76 million of NOLs pursuant to a state law merger with Brience, Inc., now known as Syniverse Brience LLC, in July, 2003. The merger was treated as a tax-free reorganization under the Code. If the Internal Revenue Service were to challenge successfully the reorganization or otherwise successfully disallow the use of such NOLs, the amount of our consolidated group s NOLs would be substantially reduced. All of our consolidated group s NOLs remain subject to examination and adjustment by the Internal Revenue Service. In addition, the NOLs acquired from Brience Inc. are subject to the separate return limitation rules under the consolidated return regulations. As a result, these NOLs generally can be utilized only to offset income from Brience Inc. and other members of its consolidated group of corporations at the time the losses were generated, or their successors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

In December 2005, we began the process of transitioning our headquarters and administration offices from 188,882 square feet of leased office space in Tampa, Florida to a 199,000 square foot corporate headquarters facility located in Tampa, Florida and completed the transition in April 2006. The lease for our former headquarters expired October 31, 2006. The lease term for the new headquarters facility is eleven years and

Table of Contents

commenced on November 1, 2005, with lease payments beginning November 1, 2006. At our option, we have the right to renew the lease for two additional periods of five years each.

In connection with this lease, we incurred incremental operating expenses related solely to this move of $9.0 million and capital costs related solely to the facility build-out of approximately $14.0 million. We incurred these moving-related costs and expenses, which include duplicative lease expense during the transition period and facility build-out costs, during 2005 and 2006. During December 31, 2006, we had incurred and capitalized approximately $3.8 million of costs and had expensed approximately $5.3 million.

In addition, we lease several offices for our Asia Pacific operations including 8,812 square feet in Hong Kong, 4,384 square feet in Singapore and 3,882 in Malaysia. We lease 3,325 square feet in London, England for technology development and several other small immaterial facilities for office space and network equipment storage.

With our acquisition of BSG Wireless, we assumed the leases for office space as follows: 20,782 square feet in Russelsheim, Germany, 3,300 square feet in London, England, 1,428 square feet in Hong Kong and 610 square feet in Berlin, Germany. 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, financial condition or results of operations. As of December 31, 2007, we have considered all of the claims and disputes of which we are aware and have provided for probable losses as part of the allowance for doubtful accounts, allowance for credit memos or accrued liabilities.

The most significant of these claims, in terms of dollars sought, are described below:

On August 9, 2005, we filed a complaint seeking injunctive relief and damages in Hillsborough County, Florida against Electronic Data Systems Corporation (EDS) and EDS Information Services LLC alleging a breach of contract, tortious interference with prospective business relations and unfair competition. This complaint was based on our discovery in the second quarter of 2005 that EDS was offering to provide clearing services to one of our customers when the customer s contract with Syniverse expires in 2006. We believe this offer to provide clearing services to that customer constitutes a breach of certain non-compete obligations of EDS contained in the asset purchase agreement between EDS and us. On August 11, 2005, the Circuit Court of the 13^{th} Judicial Circuit for the State of Florida granted our motion for a temporary injunction and enjoined the EDS defendants from selling the assets of their European subsidiaries unless the prospective purchaser assumed the non-compete obligations of EDS. The injunction is conditioned upon Syniverse providing a $1.0 million surety bond, which we have provided. We intend to continue to pursue this matter vigorously.

On April 13, 2006, we were served with a Petition for Declaratory Judgment filed by Billing Concepts, Inc. d/b/a BSG Clearing Solutions (BCI) in Texas State Court asking the court to find, in pertinent part, that BCI s offering of services competitive to Syniverse in the United States and North America is not subject to the restrictions imposed on BSG-Germany. We contest the petition and filed an appropriate response in accordance with local court rules. This action was dismissed on December 5, 2007.

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 2007.

Table of Contents

PART II

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

Syniverse Holdings, Inc.

Our common stock is listed on the New York Stock Exchange under the symbol SVR. Public trading of our common stock commenced on February 10, 2005. Prior to that date, there was no public trading market for our common stock.

The following table sets forth the high and low sales closing prices per share for our common stock as reported on the New York Stock Exchange for the years ended December 31, 2007 and 2006:

2007	**High**	**Low**
First quarter	$ 15.05	$ 10.00
Second quarter	$ 13.28	$ 10.31
Third quarter	$ 16.60	$ 12.17
Fourth quarter	$ 18.64	$ 14.78
2006		
First quarter	$ 24.01	$ 13.90
Second quarter	$ 17.99	$ 14.11
Third quarter	$ 16.75	$ 12.28
Fourth quarter	$ 15.68	$ 13.11

On March 10, 2008, the last reported sale price of our common stock on The New York Stock Exchange was $16.27 per share. As of March 3, 2008 there were approximately 11,074 holders of record of our common stock.

We have not paid any dividends on our common stock during the past two fiscal years and do not intend to pay dividends on our common stock in the foreseeable future. In addition, our indenture and new senior credit facility include restrictions on our ability to pay cash dividends on our common stock.

In connection with our initial public offering, Syniverse Holdings, LLC was dissolved on February 9, 2005 following the distribution to its members of the outstanding class A cumulative redeemable preferred stock and common stock of Syniverse Holdings, Inc. Concurrent with our initial public offering, we amended and restated the senior management agreements of Messrs., O Brien, Nelson, Garcia, and Bergen, Henegouwen, and in addition to other senior management agreements of senior officers who have since resigned, including Ms. Hermansen, and Messrs. Evans, Kremian , Lawless, Wilcock, Mosher, Corrao and Drexler, pursuant to which they acquired as part of the pro rata distribution of the outstanding capital stock of Syniverse Holdings, Inc. to the members of Syniverse Holdings, LLC an aggregate of 1,938.5 shares of class A cumulative redeemable convertible preferred stock and 5,221,972 shares of common stock. See Certain Relationships and Related Transactions Senior Management Agreements incorporated by reference to our proxy statement.

On November 7, 2007, we completed a secondary offering of our common stock at a public offering price of $15.50 per share. All 20 million shares were sold by investment funds affiliated with GTCR Golder Rauner, LLC, and certain members of our current and former management. In addition, the underwriters had a 30-day period to exercise an option to purchase up to an additional 3 million shares from the selling stockholders, which they exercised. As a result of this offering, we have ceased to be a controlled company for purposes of the NYSE corporate governance rules. We did not receive any proceeds from the sale of our common stock sold in the offering by such selling stockholders.

Table of Contents

See Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, incorporated by reference to our proxy statement, for information regarding shares of common stock authorized for issuance under our equity compensation plans.

Syniverse Technologies, Inc.

There is currently no established public trading market for the common stock, no par value, of Syniverse Technologies, Inc., a company which is wholly-owned by Syniverse Holdings, Inc.

Syniverse Technologies, Inc. has not paid any dividends on its common stock during the past two fiscal years and does not intend to pay dividends on its common stock in the foreseeable future. In addition, our indenture and new senior credit facility include restrictions on its ability to pay cash dividends on its common stock.

Syniverse Technologies, Inc. does not have any shares of common stock authorized for issuance under any equity compensation plans.

SHAREHOLDER RETURN PERFORMANCE PRESENTATION

The following stock performance graph and accompanying table compare the shareholders cumulative return on the common stock from February 10, 2005 to December 31, 2007 with the cumulative total return of the Russell 2000 Index and the Dow Jones U.S. Mobile Telecommunications Index over the same period. The comparative data assumes that $100.00 was invested on the date of our initial public offering, February 10, 2005, in the common stock and in each of the indices referred to above and that any dividends were reinvested. The stock price performance shown in the table set forth below is not necessarily indicative of future stock price performance.

	February 10, 2005	December 30, 2005	December 31, 2006	December 31, 2007
Syniverse	100.00	130.63	93.69	97.38
Russell 2000	100.00	107.59	125.88	122.43
Dow Jones U.S. Mobile Telecommunications Index	100.00	110.32	113.59	93.55

Table of Contents

ITEM 6. SELECTED HISTORICAL 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, 2007 and 2006 and for the years ended December 31, 2007, 2006 and 2005 from our audited financial statements and the related notes included elsewhere herein. The selected historical consolidated financial data as of December 31, 2005, 2004 and 2003 and for the years ended December 31, 2004 and 2003 have been derived from our audited consolidated financial statements, which are 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.

	Year Ended December 31,				
	2007	2006	2005	2004	2003
	(dollars in thousands, except per share data)				
Statement of Operations Data:					
Revenues					
Technology Interoperability	$ 184,471	$ 138,655	$ 108,429	$ 81,077	$ 66,536
Network Services	124,788	124,832	132,120	130,408	111,845
Number Portability Services	27,128	28,766	50,836	48,478	5,469
Call Processing Services	31,421	29,315	28,619	34,569	42,764
Enterprise Solution Services	4,084	7,289	11,026	14,122	15,265
Revenues Excluding Off-Network Database Query Fees	371,892	328,857	331,030	308,654	241,879
Off-Network Database Query Fees	5,632	8,162	10,761	23,749	29,529
Total Revenues	377,524	337,019	341,791	332,403	271,408
Costs and expenses:					
Cost of operations	137,520	134,641	129,190	138,484	109,744
Sales and marketing	30,637	25,446	23,344	20,244	18,631
General and administrative	56,937	58,508	49,396	41,774	40,347
Depreciation and amortization (1)	42,867	41,172	46,815	41,972	37,319
Restructuring (2)	2,211	1,006	143	289	2,164
Impairment losses on intangible assets (3)				14,056	53,712
	270,172	260,773	248,888	256,819	261,917
Operating income	107,352	76,246	92,903	75,584	9,491
Other income (expense), net:					
Interest income	2,049	1,824	1,957	1,148	768
Interest expense	(25,603)	(27,328)	(34,647)	(52,928)	(58,128)
Loss on extinguishment of debt		(924)	(42,804)		
Other income (expense), net	(69)	332	1,436	(12)	
	(23,623)	(26,096)	(74,058)	(51,792)	(57,360)
Income (loss) before provision for (benefit from) income taxes	83,729	50,150	18,845	23,792	(47,869)
Provision for (benefit from) income taxes	31,310	(39,574)	9,041	8,729	10,057
Net income (loss)	52,419	89,724	9,804	15,063	(57,926)
Preferred stock dividends			(4,195)	(31,564)	(30,230)
Net income (loss) attributable to common stockholders	$ 52,419	$ 89,724	$ 5,609	$ (16,501)	$ (88,156)
Net income (loss) per common share:					
Basic	$ 0.78	$ 1.34	$ 0.09	$ (0.41)	$ (2.21)

Diluted	$ 0.78	$ 1.33	$ 0.09	$ (0.41)	$ (2.21)
Weighted average common shares outstanding:					
Basic	67,333	66,943	61,973	39,838	39,838
Diluted	67,531	67,298	62,978	39,838	39,838
Other Financial Data:					
EBITDA (4)	$ 150,150	$ 116,826	$ 98,350	$ 117,544	$ 46,810
Net cash provided by (used in):					
Operating activities	121,262	97,811	110,577	85,696	48,422
Investing activities	(301,953)	(63,683)	(32,555)	(78,663)	(18,883)
Financing activities	202,275	(57,052)	(46,603)	2,697	(63,430)
Capital expenditures	(27,665)	(19,921)	(34,001)	(22,184)	(18,280)
Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 49,086	$ 26,704	$ 49,294	$ 17,919	$ 8,299
Property and equipment, net	43,856	42,880	43,426	35,703	33,548
Total assets	1,107,550	784,147	771,358	777,193	730,271
Total debt and redeemable preferred stock	522,935	311,561	367,794	793,062	753,425
Total stockholder s equity (deficit)	470,792	414,794	322,639	(106,860)	(90,317)

Table of Contents

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

(2) Restructuring expense is comprised primarily of severance benefits associated with our cost rationalization initiatives, which were implemented in February 2003, July 2003, April 2004, September 2005, February 2006, August 2006, January 2007 and June 2007. The restructurings occurring between February 2003 and September 2005 were related to two acquisitions. This excludes amounts related to acquisitions where restructuring costs were accrued as a part of purchase accounting. The restructurings for 2006 were related to internal reorganizations. The restructurings in 2007 were related to a facility closing and internal reorganization.

(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 of $2.7 million which were no longer recoverable due to our phase-outs of other service offerings. In 2004, $9.0 million of these losses relate to capitalized software costs associated with our phase out of certain service offerings and reduced valuation of certain call processing services and $5.1 million relates to customer base intangible assets resulting from a technology interoperability customer notifying us that it does not intend to renew its contract for these services.

(4) EBITDA is determined by adding interest expense, net, 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 measure to review and assess the operating performance of our company. 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 income and our consolidated statements of cash flows included in our financial statements included elsewhere in this annual report.

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.

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Reconciliation of EBITDA to Net Income (Loss):					
Net income (loss) as reported	$ 52,419	$ 89,724	$ 9,804	$ 15,063	$ (57,926)
Interest expense, net	23,554	25,504	32,690	51,780	57,360
Depreciation and amortization	42,867	41,172	46,815	41,972	37,319
Provision for (benefit from) income taxes	31,310	(39,574)	9,041	8,729	10,057

EBITDA	$ 150,150	$ 116,826	$ 98,350	$ 117,544	$ 46,810
Supplemental information:					
Restructuring expense (i)	$ 2,211	$ 1,006	$ 143	$ 289	$ 2,164
SFAS 123R non-cash compensation	3,564	1,820			
Impairment losses on intangible assets (ii)				14,056	53,712
Loss on extinguishment of debt (iii)		(924)	(42,804)		
Facility move (iv)		5,298	2,671		
Loss on disposal of assets (v)			612		

(i) Restructuring expense is comprised primarily of severance benefits associated with our cost rationalization initiatives, which were implemented in February 2003, July 2003, April 2004, September 2005, February 2006, August 2006, January 2007 and

31

June 2007. The restructurings occurring between February 2003 and September 2005 were related to two acquisitions. This excludes amounts related to acquisitions where restructuring costs were accrued as a part of purchase accounting. The restructurings for 2006 were related to internal reorganizations. The restructurings in 2007 were related to a facility closing and internal reorganization.

(ii) Impairment losses on intangible assets in 2003 relate primarily to the trademark value associated with our previous corporate name of $51.0 million and to certain capitalized software costs of $2.7 million, which will no longer be recoverable due to our phase-outs of certain service offerings. In 2004, $9.0 million of these losses relate to capitalized software costs associated with our phase out of other service offerings and reduced valuation of certain call processing services and $5.1 million relates to customer base intangible assets resulting from a technology interoperability customer recently notifying us that it does not intend to renew its contract for these services.

(iii) Loss on extinguishment of debt relates to the early extinguishment of debt related to our previous senior credit facility, repaid in February 2005 and the February 2005 and August 2005 tender for our 12 3/4% senior subordinated notes due 2009. In February 2005, we recognized a loss of $23.8 million on the early extinguishment of debt related to our previous senior credit facility and the tender of 35% of our 12 3/4% senior subordinated notes. The loss includes a non-cash write-off of $6.0 million of unamortized deferred financing costs and $5.4 million of unamortized debt discount relating to the previous senior credit facility and the tendered portion of the 12 3/4% senior subordinated notes, as well as a $12.4 million cash charge related to the prepayment premium on the tendered portion of the senior subordinated notes. In August 2005, we recognized $19.0 million on the early extinguishment of debt related to the tender of $144.8 million of our 12 3/4% senior subordinated notes. The loss includes a non-cash write-off of $2.6 million of unamortized deferred financing costs and $1.6 million of unamortized debt discount, as well as a $14.3 million cash charge related to the prepayment premium and $0.5 million of other costs. In February 2006, we redeemed all outstanding 12 3/4% senior subordinated notes due 2009 resulting in a prepayment premium of $0.9 million.

(iv) Facilities move expenses consist of expenses incurred related to our headquarters relocation, which commenced in the fourth quarter of 2005.

(v) Loss on disposal of assets relates to the retirement of computer equipment related to our call processing services.

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

	Year Ended December 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Reconciliation of Cash Flows from Operations to EBITDA:					
Net cash provided by operating activities	$ 121,262	$ 97,811	$ 110,577	$ 85,696	$ 48,422
Net interest paid	24,477	26,455	40,695	44,296	46,152
Impairment losses on intangible assets				(14,056)	(53,712)
Gain on sale of marketable securities		119	1,446		
Loss on extinguishment of debt		(924)	(42,804)		
Other working capital changes	11,439	(2,981)	(7,796)	8,615	19,522
Changes in other non-cash items	(5,707)	(4,116)	(4,774)	(9,054)	(11,489)
Other assets and liabilities	(1,321)	462	1,006	2,047	(2,085)
EBITDA	$ 150,150	$ 116,826	$ 98,350	$ 117,544	$ 46,810

32

Table of Contents

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 Risk Factors and 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 enhance 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. In February 2002, we were acquired from Verizon by members of our senior management team and an investor group led by GTCR Golder Rauner, LLC (GTCR).

On February 9, 2005, Syniverse Holdings, LLC (Syniverse LLC) entered into an Amendment No. 1 to Limited Liability Company Agreement and Dissolution Agreement, dated as of February 9, 2005, with Syniverse Holdings, Inc. (Syniverse Inc.) and certain members of Syniverse LLC (the Dissolution Agreement). The Dissolution Agreement provided, among other things, for (i) the distribution of the capital stock of Syniverse Inc. to the members of Syniverse LLC, (ii) the termination of certain equity agreements among Syniverse LLC and its members and (iii) the subsequent dissolution of Syniverse LLC.

On February 9, 2005, we merged our subsidiaries, Syniverse Networks and Syniverse Finance, with and into Syniverse Technologies, Inc. (Syniverse).

On February 10, 2005, we completed an initial public offering of 17,620,000 shares of common stock at a price of $16.00 per common share. The net proceeds of the offering were $261.0 million after deducting underwriting discounts, commissions and expenses, and, along with the $240.0 million received from our new credit facility, were used primarily to redeem 124,876 shares of our class A cumulative redeemable preferred stock as described below, tender for 35% of our 12 $^{3}/4$% senior subordinated notes and repay our previous senior credit facility.

On February 15, 2005, we redeemed 124,876 shares of our class A cumulative redeemable convertible preferred stock including accrued and unpaid dividends with $176.5 million of proceeds received from our initial public offering completed on February 10, 2005.

On March 28, 2005, we converted the remaining 115,604 shares of our class A cumulative redeemable convertible preferred stock including accrued and unpaid dividends at a liquidation value of $163.4 million into 10,209,598 shares of our class A common stock.

On November 7, 2007, we completed a registered secondary offering on behalf of the selling stockholders of 20,000,000 shares of common stock, plus 3,000,000 shares sold pursuant to the underwriters exercise of the over-allotment option, pursuant to a shelf registration statement previously filed with the Securities and Exchange Commission on June 8, 2007. The offering was priced at $14.84125, reflecting a price to the public of $15.50 per share, less underwriting discounts and commissions of $0.65875 per share. We incurred approximately $0.7 million of offering expenses related to the sale which will be recorded to general and administrative expenses in the fourth quarter of 2007. We did not receive any proceeds from the sale.

Table of Contents

Acquisitions

On June 16, 2006, we acquired the capital stock of Perfect Profits International, which comprises the Interactive Technologies Holdings Limited business (ITHL), from Interactive Technologies Holdings Limited for $45.7 million in cash including $1.1 million in acquisition related costs and working capital adjustments and earn-out to the sellers of $6.9 million, which was paid in April 2007. The purchase agreement contains certain earn-out provisions, pursuant to which the sellers received $6.9 million in additional cash consideration based upon achieving certain levels of revenues and EBITDA. Headquartered in Hong Kong, ITHL is a leading provider of value-added services to operators in the Asia Pacific region. We believe the acquisition expands our footprint in the Asia Pacific region and adds a complementary customer base, new products, advanced development capabilities and in-region customer support.

On December 19, 2007, we acquired the wireless data clearing and financial settlement business (BSG Wireless) of Billing Services Group Limited for an aggregate purchase price of $293.6 million in cash (which includes debt repaid at closing). The acquisition was funded through the draw down of our amended and restated credit facility which included a delayed draw term loan of $160.0 million in aggregate principal amount and a Euro-denominated delayed draw term loan facility of the equivalent of $130.0 million intended to finance this acquisition. The acquisition allows us to combine our industry-leading technology interoperability and network services capabilities with BSG Wireless strong GSM data clearing expertise; excellent European, Middle Eastern and Asian operator relationships; and leading financial clearing and settlement capabilities. BSG Wireless operating results for the period December 20, 2007 through December 31, 2007, which are not material, have not been included in our consolidated statements of income.

Introduction

We provide an integrated suite of services to wireless telecommunications operators that meet the evolving technology requirements of the wireless industry. These services include:

- **Technology Interoperability Services.** We operate one of the largest wireless data clearinghouses globally, enabling the accurate invoicing and settlement of domestic and global wireless roaming telephone calls and wireless data events. We also provide SMS and MMS routing and translation services between operators. In addition, we have expanded our mobile data solutions to include interactive video and mobile broadband solutions, prepaid applications and value-added roaming services.

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