



## **SBA Communications Corporation Announces 2nd Quarter Results; Accelerates Tower Ownership**

BOCA RATON, Fla., Aug. 14 /PRNewswire/ -- SBA Communications Corporation ("SBA") announced its financial condition and results of operations for the second quarter ended June 30, 1998. SBA is a leading independent provider of communication site services to the wireless communications industry. The company is transitioning its revenue stream from project driven revenues to recurring revenues through the leasing of antenna space at or on communications facilities. The company's strategy is to utilize its leadership position in the site development business, a project revenue business, to become a leading owner and operator of communication towers, a recurring revenue business. While SBA intends to continue to offer site development services to wireless carriers where demand and profitability opportunities exist, it will emphasize its site leasing business through the construction of company-owned towers pursuant to build-to-suit programs for lease to wireless service providers, the acquisition of existing sites and the leasing, sub-leasing and management of other antennae sites.

As of the end of the second quarter, SBA owned 217 towers, compared to 90 towers owned as of March 31, 1998, and 13 towers as of June 30, 1997, and had a backlog of approximately 410 build-to-suit tower projects for SBA ownership. Total revenues in the quarter increased 30.8% to \$13.8 million from the year earlier period, with the increase attributable to both higher site development and site leasing revenues. Site development revenues increased 24.5% to 11.1 million, primarily due to the results of the Company's construction business acquired in September 1997. Site leasing revenues increased to \$2.6 million, a 66.7% increase over the prior period, primarily reflecting the positive impact of the towers accumulated by SBA as of June 30, 1998. Cost of revenues increased 37.4%, to \$10.7 million, from the year earlier period, with the majority of the increase attributable to the higher cost of site development revenues, which increased 39.7% to \$9.1 million over the prior period. Operating expenses increased 96% to \$4.7 million over the prior period, reflecting SBA's continuing investment in its tower accumulation and ownership infrastructure. Earnings before interest, taxes, depreciation and amortization decreased to (\$1.7) million from \$.3 million in the prior period, due primarily to the higher cost of site development revenue and increased operating expenses.

Assets increased to \$191.1 million from \$44.8 million at December 31, 1997, primarily reflecting the results of SBA's \$150 million (gross proceeds) note offering completed in March 1998. Cash and cash equivalents as of June 30, 1998, were \$84.6 million, up from \$6.1 million at December 31, 1997.

"We exceeded our tower ownership goals in the second quarter," commented Steven E. Bernstein, Chief Executive Officer. "We substantially increased the number of towers we owned in the second quarter, and expect even more substantial increases through the remainder of 1998 primarily from the development of new towers for wireless communication carriers under our build-to-suit tower construction and ownership programs. We built 99 towers in the second quarter, and acquired 28 others. We expect these towers to increasingly contribute to our cash flows during the remainder of 1998 and beyond. I am very pleased with the operational capabilities we have developed. We have invested and will continue to invest heavily in the human resources and technology necessary to maintain our operational competence and develop new assets, which investment unfortunately increases overall operating expenses. As expected, profitability from site development services continues and will continue to wane as carriers increasingly turn to build-to-suit programs for their network needs."

SBA offers a broad array of site acquisition, zoning, construction and tower space leasing services to the wireless communications industry. Since it was founded in 1989, SBA has participated in the development of over 9,000 antenna sites in the United States, including over 3,500 in 1997. SBA's primary focus is the construction of new towers and acquisition of existing towers for its own account. Pursuant to its new tower construction programs, SBA acquires, zones and constructs multi-tenant wireless communications towers with its own capital, which towers are then leased to multiple wireless communications carriers and providers. SBA currently owns 245 towers and has over 400 tower projects under various stages of development throughout the nation, the majority of which the company believes will result in completed towers by year-end.

### **Information Concerning Forward-Looking Statements**

Some information in this release is forward looking. These forward-looking statements may be affected by the risks and uncertainties in the company's business. This information is qualified in its entirety by cautionary statements and risk factors disclosure contained in certain of the Company's Securities and Exchange Commission filings. The Company wishes to caution readers that certain important factors may have affected and could in the future affect the Company's actual results and could cause the Company's actual results for subsequent periods to differ materially from those expressed in any forward-looking statement made by or on behalf of the Company. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

SBA COMMUNICATIONS CORPORATION  
SUMMARY HISTORICAL FINANCIAL DATA

For the three months                      For the six months  
ended June 30,                              ended June 30,  
1998                      1997                              1998                      1997

Operating Data:

Revenue:

Site development revenue	\$11,127,165	\$8,940,205	\$23,658,415	\$21,396,992
Site leasing revenue	2,645,712	1,587,423	4,804,251	3,145,191
Total revenues	13,772,877	10,527,628	28,462,666	24,542,183

Cost of revenues:

Cost of site development revenue	9,106,942	6,517,417	18,109,574	14,611,153
Cost of site leasing revenue	1,612,687	1,282,459	3,119,558	2,553,948
Total cost of revenues	10,719,629	7,799,876	21,229,132	17,165,101

Gross Profit	3,053,248	2,727,752	7,233,534	7,377,082
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Operating expenses	4,734,228	2,413,315	8,663,029	5,669,021
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Depreciation and Amortization	970,224	53,220	1,477,469	93,948
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Operating income (loss)	(2,651,204)	261,217	(2,906,964)	1,614,113
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Interest, net (income)	2,911,725	(216,204)	4,027,494	(239,154)
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Income (loss) before income taxes	(5,562,929)	477,421	(6,934,458)	1,853,267
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Provision for income taxes	525,645	217,399	612,229	3,740,601
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Net Income (loss)	\$(6,088,574)	\$260,022	\$(7,546,687)	\$(1,887,334)
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Other Data:

Earnings before interest, taxes, depreciation and amortization	\$(1,680,980)	\$314,437	\$(1,429,495)	\$1,708,061
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As of	As of
June 30,	December 31,
1998	1997

(IN THOUSANDS)

Balance Sheet Data:

Cash and cash equivalents	\$84,617	\$6,109
Total assets	191,131	44,797
Working capital	84,700	17
Total Debt	156,247	10,184

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SOURCE SBA Communications Corporation

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