



SBA Communications Corporation Announces 3rd Quarter Results; Substantial Increase In Tower Cash Flow; \$125 Million Financing Commitment

BOCA RATON, Fla., Nov. 16 /PRNewswire/ -- SBA Communications Corporation ("SBA") announced its financial condition and results of operations for the third quarter ended September 30, 1998.

As of the end of the third quarter, SBA owned 364 towers, compared to 218 towers owned as of June 30, 1998 and 19 towers as of September 30, 1997. Site leasing revenues increased to \$3.3 million, a 95.8% increase over the same period last year and a 25.8% increase over the second quarter this year. Site leasing gross profit (tower cash flow) increased to \$1,408,448, a 332.8% increase over the same period last year and a 36.3% increase over the second quarter this year, primarily reflecting the positive impact of the towers accumulated by SBA as of September 30, 1998. Site development revenues for the quarter decreased 19.1% to \$10.0 million, primarily due to a decline in the Company's traditional site development business. Total revenues in the quarter declined 5.1% to \$13.3 million from the year earlier period, with the decrease attributable to lower site development revenues which offset the gains in site leasing revenues. Cost of revenues increased 14.1%, to \$10.3 million, from the year earlier period, with the increase attributable to higher site leasing revenue and the ending of various site development projects which typically produce a lower margin in their final phases. Operating expenses increased 58.2% to \$4.0 million over the same period last year, reflecting the increased cost associated with SBA's tower accumulation and ownership infrastructure. Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased to (\$1.0) million from \$2.5 million in the same period last year, due primarily to lower site development gross profit and increased operating expenses, which more than offset the increase in site leasing gross profit. EBITDA did, however, increase from (\$1.7) million in the second quarter due to increased site leasing gross profit.

Assets increased to \$198.6 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 September 30, 1998 were \$52.5 million, up from \$6.1 million at December 31, 1997.

SBA also announced that it had received from Lehman Commercial Paper Inc. a commitment to provide a \$125 million senior secured credit facility to be arranged by Lehman Brothers Inc. This new facility, which would replace SBA's existing \$55 million credit facility, is subject to a number of customary closing conditions and is expected to be closed by January 31, 1999.

"Once again, we exceeded our tower ownership goals this quarter," commented Steven E. Bernstein, Chief Executive Officer. "We built 117 towers in the third quarter, and acquired 29 others. We are continuing to increase, on a percentage basis, the recurring revenue portion of our total revenue base. EBITDA losses shrank from the second quarter as operating expenses declined and site leasing gross profits rose. We expect improvements in EBITDA to continue for the foreseeable future as we add and lease-up towers. Our backlog through the remainder of 1998 and into 1999 remains strong, and we are very pleased that our operational performance continues to result in client satisfaction and new business. With our new financing commitment, we look forward next year to continuing and building upon our 1998 accomplishments."

SBA is a leading independent provider of communication site services to the wireless communications industry. SBA's primary focus is the construction of new towers and acquisition of existing towers for its own account. 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. 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 currently owns approximately 390 towers and has over 400 tower projects under various stages of development throughout the nation.

SBA will hold a conference call to discuss third quarter results on Monday, November 16, 1998 at 4:30 p.m. EST. The call-in number is (800) 553-0326.

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 ended For the nine months ended
 September 30, September 30,
 1998 1997 1998 1997

Operating Data:				
Revenue:				
Site development revenue	\$9,965,367	\$12,314,733	\$33,623,782	\$33,711,725
Site leasing revenue	3,327,964	1,699,240	8,132,215	4,844,431
Total revenues	13,293,331	14,013,973	41,755,997	38,556,156
Cost of revenues:				
Cost of site development revenue	8,349,164	7,626,128	26,458,738	22,237,281
Cost of site leasing revenue	1,919,516	1,373,841	5,039,074	3,927,789
Total cost of revenues	10,268,680	8,999,969	31,497,812	26,165,070
Gross Profit	3,024,651	5,014,004	10,258,185	12,391,086
Operating expenses	4,020,707	2,541,135	12,683,736	8,210,156
Depreciation and amortization	1,326,467	135,978	2,803,936	229,926
Operating income (loss)	(2,322,523)	2,336,891	(5,229,487)	3,951,004
Interest, net (income)	3,409,694	(173,646)	7,437,188	(412,800)
Income (loss) before income taxes	(5,732,217)	2,510,537	(12,666,675)	4,363,804
Provision for income taxes	(612,229)	217,399	---	4,861,768
Net Income (loss)	\$(5,119,988)	\$2,293,138	\$(12,666,675)	\$(497,964)
Other Data:				
Earnings before interest, taxes, depreciation and amortization	\$(996,056)	\$2,472,869	\$(2,425,551)	\$4,180,930

As of As of
September 30, December 31,
1998 1997

(IN THOUSANDS)

Balance Sheet Data:

Cash and cash equivalents	\$52,498	\$6,109
Total assets	198,567	44,797
Working capital	43,118	17
Total Debt	160,796	10,184

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SOURCE SBA Communications Corporation

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