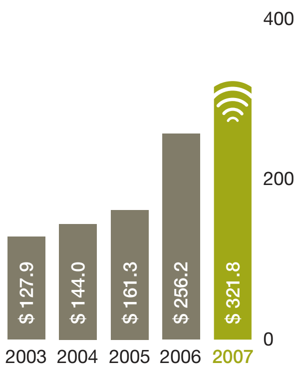
SBA COMMUNICATIONS CORPORATION
2007 Annual Report

Financial Highlights 2007 vs 2006

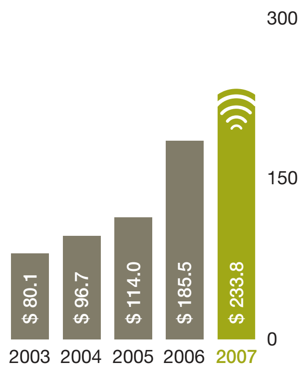
For the year ended December 31, (in thousands, except per share data)	2006	2007	Percentage Change
Revenues:			
Site leasing	$ 256,170	$ 321,818	25.6%
Site development	94,932	86,383	(9.0)%
Total revenues	351,102	408,201	16.3%
Cost of revenues:			
Site leasing	70,663	88,006	24.5%
Site development	85,923	75,347	(12.3)%
Total cost of revenues	156,586	163,353	4.3%
Operating profit:			
Site leasing	185,507	233,812	26.0%
Site development	9,009	11,036	22.5%
Total operating profit	$ 194,516	$ 244,848	25.9%
Selling, general and administrative expenses	$ 42,277	$ 45,569	7.8%
Net loss	$ (133,448)	$ (77,879)	(41.6)%
Basic and diluted net loss per share	$ (1.36)	$ (0.74)	
Weighted average number of shares	98,193	104,743	

For the year ended December 31, (in thousands)	2006	2007
Cash, cash equivalents and restricted cash	$ 80,551	$ 107,873
Total assets	$2,046,292	$2,384,323
Total debt	$1,555,000	$1,905,000

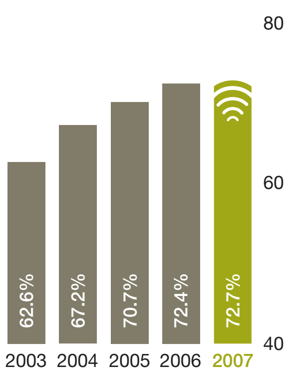
SBA:
a high growth company focused on increasing shareholder value



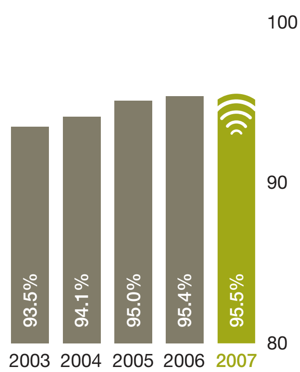
Site Leasing Revenues (in millions)



Site Leasing Operating Profit (in millions)



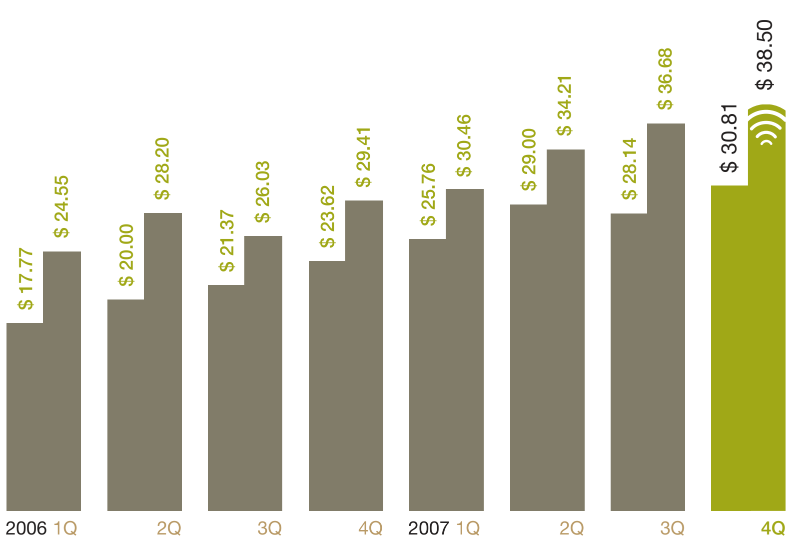
Site Leasing Operating Profit Margin



Site Leasing Operating Profit Margin Contribution

To Our Shareholders

The year 2007 was another very successful one for SBA. As a company, we continued to focus on our now longstanding three-part strategy to increase shareholder value: strong organic growth, material portfolio growth and active balance sheet management. We executed on that strategy very well. Our growth was ahead of our own expectations set at the beginning of the year. We accomplished our primary goal of materially growing equity free cash flow per share, posting $1.12 per share in 2007 compared to $0.69 per share in 2006, an increase of 62%. Once again, we led our industry by a wide margin in growth in equity free cash flow per share. We continue to believe that growth in equity free cash flow per share will be the single most important factor in creating long-term shareholder value.



High and Low Sales Price for Class A Common Stock

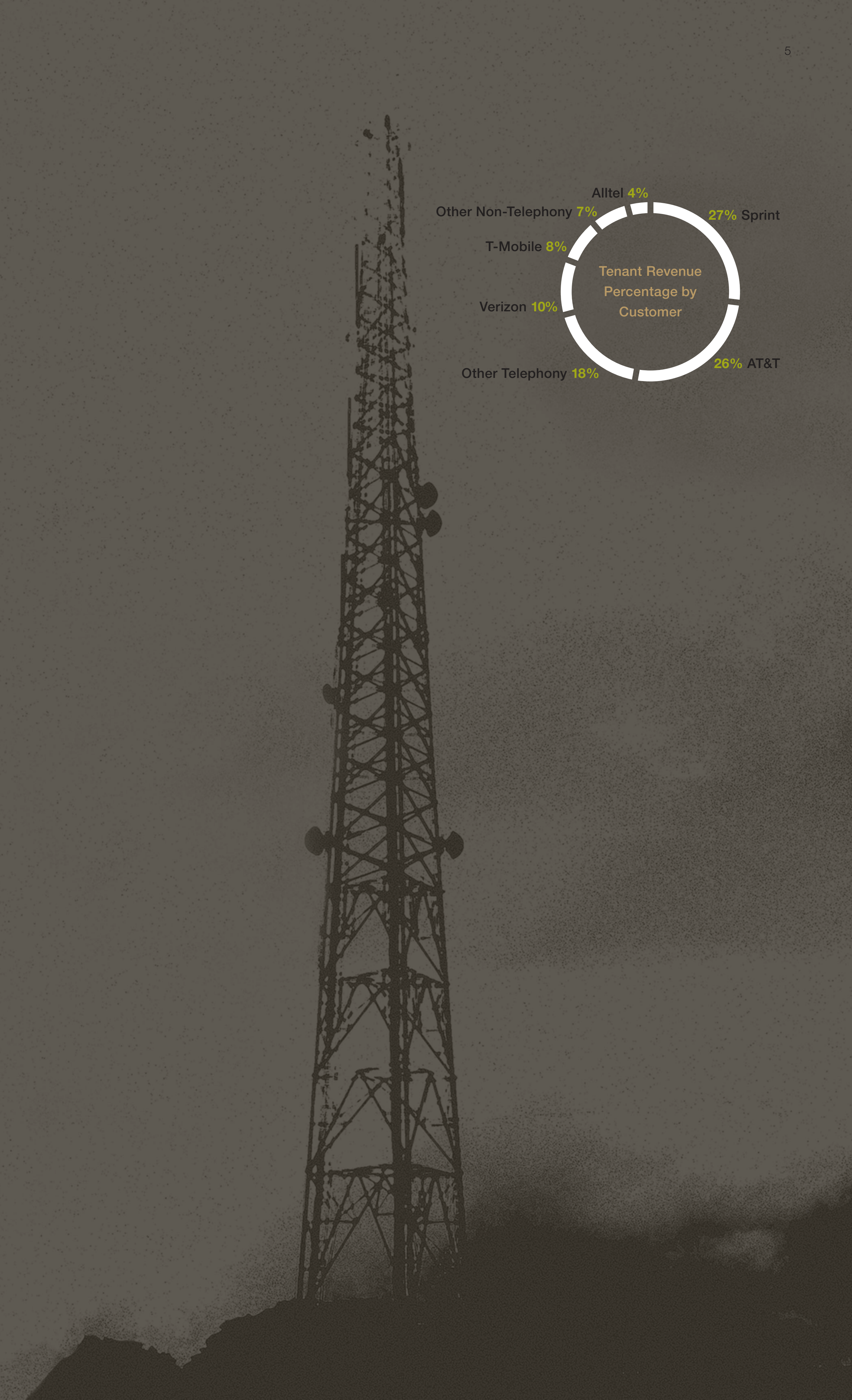
Our strategy has been validated, and our execution of that strategy has been recognized, through the tremendous shareholder value we have created. In the February 25, 2008 edition of *The Wall Street Journal*, containing the *Journal*'s 13th Annual Shareholder Scoreboard, SBA was ranked No. 2 in terms of average annual shareholder return over the five years ending December 31, 2007 *out of the 1,000 largest U.S. public companies* in terms of the value of their publicly traded common stock. SBA's five-year annualized return was 141.7%, and we missed being ranked No. 1 by less than 1%. I can think of no better proof of the success of our strategy than the returns we have provided to our shareholders and, by that measure, we have been extraordinarily successful. We have firmly positioned SBA as a high quality, high growth company focused on maximizing shareholder returns. We are very proud of these results, and very appreciative of the large number of people that have contributed to our success. I thank each and every one of our employees, customers, business partners and investors for the contributions they have made to our success.

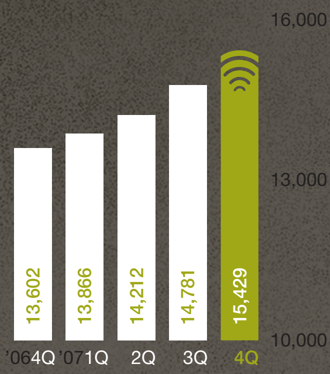
We believe our current strategy continues to be the correct one for SBA, and one we expect will continue to create additional shareholder value in the future. Here's how we performed on each of our three areas of focus in 2007, and what we expect for 2008 and beyond:

The demand for tower space from our wireless provider customers and the quality of our tower assets are the two primary drivers of our strong organic growth

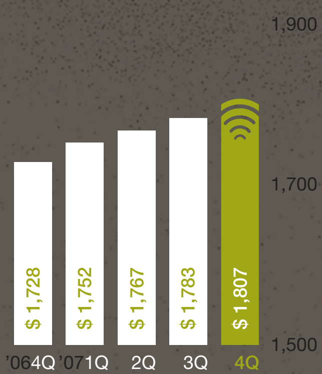
Mobile wireless communications continues to be one of the fastest growing segments in all of business. In 2007, our customer demand was very strong in the aggregate, although varied by customer. Several customers were busy launching new markets, two were implementing technology upgrades and one of the large nationwide wireless carriers maintained a steady level of network investment throughout the year. Some of our larger customers were materially less busy in 2007 than in prior years; others were busier in 2007 than in prior years. Overall, our results for incremental leasing revenue exceeded our budget for 2007. We saw the benefits of strong customer demand in many areas, including our services business where gross profit margins were greatly improved over prior years.

Overall activity for the year continued a trend, which started in 2004, of solid wireless provider demand. We see no reason to believe that this trend of strong wireless provider demand will not continue in 2008 and beyond. Data products, unlimited minutes plans and new devices will all fuel the need for continued network investment. We believe that our customers pursuing technology upgrades have more work to do, and we expect them to stay busy throughout 2008 and into 2009. Those customers pursuing new markets have announced proposed launch dates extending into the middle of 2009, and as a result we expect multi-year activity as they implement their plans. The recently auctioned 700 MHz spectrum, raising $20 billion and having accelerated build-out requirements, is expected to be a source of substantial new business for us in 2009 and beyond. Our view of customer demand for the leasing of tower space in the foreseeable future is as strong as it has been in years.


Tenant Revenue
Percentage by
Customer
Alltel 4%
27% Sprint
Other Non-Telephony 7%
T-Mobile 8%
Verizon 10%
Other Telephony 18%
26% AT&T



Number of Tenants



Average Monthly Cash Rents

We believe the quality of our tower assets is the best in the industry, and would point to a number of factors as evidence. We continually rank at or near the top of our industry on the metrics that we believe define quality.

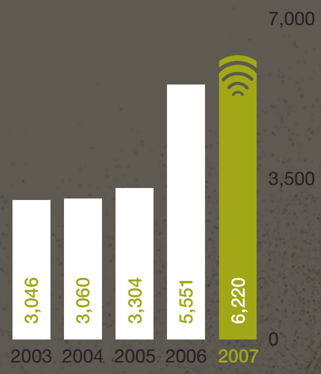
Those metrics include same tower revenue growth, same tower cash flow growth, tower cash flow margins, average rent per tenant, remaining lease-up capacity, operating expense per tower, maintenance and augmentation capital expenditures per tower and remaining term lengths on ground leases. Our success on these metrics, in comparison to our peers, is due to one very important fact—we have the highest percentage of towers in our portfolio that were either built by SBA or others like us, specifically for the independent tower industry. A tower that has been built specifically for the independent tower industry generally is better located for additional tenant growth, less costly to maintain and operate, and has greater structural capacity, as contrasted with a tower built by a wireless provider for its own needs. These are the type of towers we generally acquire and, together with the towers we have built, comprise the substantial majority of our portfolio. As a result, our towers are very well suited to meet the needs of our wireless provider customers and produce strong and increasing cash flows for SBA.

In 2007 we bought 612 towers in 67 separate transactions and built 61 new towers providing material portfolio growth

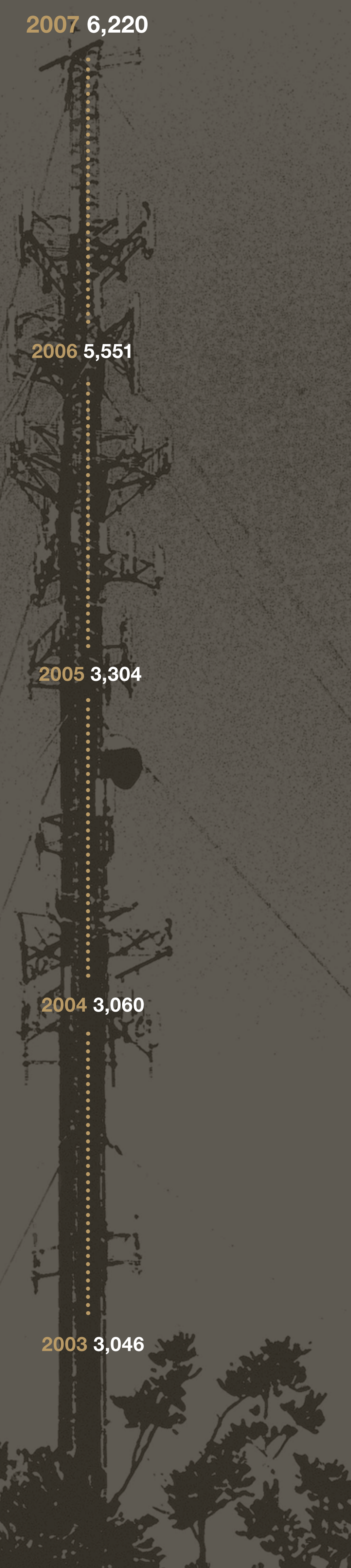
We continue to be very active acquiring and building towers because we believe wireless provider demand for antenna space will continue to be strong. We began the year with a portfolio growth goal of 5% to 10%, and finished the year by increasing our tower portfolio by 12%. We ended 2007 with 6,220 towers, up from 5,551 at the end of 2006. This portfolio growth contributed materially to our 2007 financial results. We view portfolio growth as one of our core business competencies. For 2008, we are once again targeting portfolio growth of 5% to 10% and are well on our way to meeting that goal. In addition to the towers we intend to acquire, we expect to build 80 to 100 towers for our ownership this year.

We look to buy or build towers that meet our high quality standards and have future growth potential which is as good as or better than our existing tower portfolio. We are seeking to add towers that will support and sustain our same tower revenue growth rates, even as the base revenue per tower on our existing tower portfolio increases. Our analysis in determining whether or not to buy or build a tower is always primarily financial in nature. We are very pleased with the towers we built and acquired in 2007, as they have already demonstrated good growth. We have been able to find attractive opportunities to invest capital that meet our return requirements and we believe we will continue to be able to find those opportunities in the future. Given our size and the opportunities we see for future portfolio growth, we believe portfolio growth will continue to contribute materially to future financial results of the company.

As part of our portfolio growth we also seek to buy the land we lease underneath our towers or purchase long-term lease extensions or easements. We believe such purchases are both strategically and financially attractive. We were much more active in this area in 2007 than in prior years, completing 333 individual transactions for aggregate consideration of $34.4 million. These purchases had the effect of reducing our cost of leasing expense and thereby immediately increasing our tower cash flow.



Total Towers in Continuing Operations at Year End



SBA Footprint

Alabama 331 • Arizona 402 • Arkansas 54 • California 62 • Colorado 47 • Connecticut 78 • Delaware 22 • Florida 213 • Georgia 417 • Idaho 64 • Illinois 54 • Indiana 99 • Iowa 232 • Kansas 39 • Kentucky 64 • Louisiana 378 • Maine 82 • Maryland 39 • Massachusetts 27 • Michigan 165 • Minnesota 128 • Mississippi 132 • Missouri 280 • Nebraska 328 • Nevada 28 • New Hampshire 17 • New Jersey 60 • New Mexico 23 • New York 14 • North Carolina 38 • North Dakota 161 • Ohio 233 • Oklahoma 135 • Oregon 41 • Pennsylvania 277 • Puerto Rico 52 • Rhode Island 10 • South Carolina 220 • South Dakota 7 • Tennessee 348 • Texas 375 • Utah 18 • Vermont 149 • Virginia 4 • Virgin Islands 9 • Washington 22 • West Virginia 186 • Wisconsin 54 • Wyoming 2

We believe that by actively managing our balance sheet we can positively impact growth in equity free cash flow per share

We seek to maintain certain levels of our leverage ratio and interest coverage ratio in order to maximize our liquidity and shareholder returns within what we consider to be an appropriate risk profile.

Our liquidity position is strong. In January 2008, we obtained a $285 million credit facility, which we subsequently expanded to $335 million. Proceeds from the facility may be used to buy or build towers or buy land underneath our towers. This credit facility, together with cash on hand and our expected cash flow from operations, provides us with more than enough capital to meet our portfolio growth goals for 2008. We believe the ideal target leverage ratio, in the current interest rate environment for our leasing business, with strong recurring cash flow and good growth prospects, should be, on a normalized basis, between 6x–8x net debt/annualized adjusted EBITDA. At the end of 2007 we were at the high end of that range. Where we set the range will change from time to time, and will depend on the amount of debt outstanding, our current and expected growth rate, overall market conditions and the general availability of credit, the timing and amount of our refinancing obligations, interest rates and whether the interest rate is floating or fixed for a period of time. The debt markets have become very challenging in the last nine months and, while we will be opportunistic, our future decisions and actions impacting leverage will likely be to maximize the prospects for our 2010 and 2011 refinancings.

In determining the appropriate level of leverage, we closely analyze our interest coverage ratio. We look for a comfortable cushion at the time any debt is borrowed, and look for improving interest coverage ratios over time. Currently, in this low interest rate environment with SBA's strong, growing, recurring cash flows, we are very comfortable with a minimum cash interest coverage ratio of 2.0x annualized adjusted EBITDA/cash interest. We finished 2007 well above that minimum target, with an actual ratio of 2.7x for the fourth quarter of 2007.

We currently believe that the best use of our cash resources and available liquidity is first for additional portfolio growth and then stock repurchases. We were able to do both in 2007. In addition to the 673 towers we added last year, we repurchased 3.24 million shares of our stock. We currently view portfolio growth as the most attractive option for our shareholders and more accretive to equity free cash flow per share, although we do believe share repurchases at certain prices are also very attractive given our optimistic expectations for the future. Exactly how much of our capital we will invest in portfolio growth and/or stock repurchases will be based on many ever-changing factors. We consider the state of the wireless industry and its prospects for additional growth, the current interest rate environment, the price of tower assets in relation to the valuation of our stock, the impact of the contemplated expenditure on equity free cash flow per share, and anticipated returns over an extended period of time, to name a few.

The plan is working

2007 was another good year for SBA and our shareholders. Our three-part strategy is working well and equity free cash flow per share is growing materially. We were recognized as one of the top public companies for creating shareholder value. We are very excited about our 2008 prospects. In closing, I would like to thank our shareholders for placing your confidence in our management team and I look forward to reporting our 2008 results.

Sincerely,

Jeffrey A. Stoops

Jeffrey A. Stoops
President & Chief Executive Officer

Financial Data

Selected Financial Data

The following table sets forth selected historical financial data as of and for each of the five years ended December 31, 2007. The financial data for the fiscal years ended 2007, 2006, 2005, 2004, and 2003 have been derived from our audited consolidated financial statements. You should read the information set forth below in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes to those consolidated financial statements included in this annual report.

For the year ended December 31, (in thousands, except for per share data)	**2007 (audited)**	2006 (audited)	2005 (audited)	2004 (audited)	2003 (audited)
OPERATING DATA:					
Revenues:					
Site leasing	**$ 321,818**	$ 256,170	$161,277	$ 144,004	$ 127,852
Site development	**86,383**	94,932	98,714	87,478	64,257
Total revenues	**408,201**	351,102	259,991	231,482	192,109
Operating expenses:					
Cost of revenues (exclusive of depreciation, accretion and amortization shown below):					
Cost of site leasing	**88,006**	70,663	47,259	47,283	47,793
Cost of site development	**75,347**	85,923	92,693	81,398	58,683
Selling, general and administrative	**45,569**	42,277	28,178	28,887	30,714
Restructuring and other (credits) charges	**—**	(357)	50	250	2,094
Asset impairment charges	**—**	—	398	7,092	12,993
Depreciation, accretion and amortization	**169,232**	133,088	87,218	90,453	93,657
Total operating expenses	**378,154**	331,594	255,796	255,363	245,934
Operating income (loss)	**30,047**	19,508	4,195	(23,881)	(53,825)
Other income (expense):					
Interest income	**10,182**	3,814	2,096	516	692
Interest expense, net of amounts capitalized	**(92,498)**	(81,283)	(40,511)	(47,460)	(81,501)
Non-cash interest expense	**—**	(6,845)	(26,234)	(28,082)	(9,277)
Amortization of deferred financing fees	**(8,534)**	(11,584)	(2,850)	(3,445)	(5,115)
Loss from write-off of deferred financing fees and extinguishment of debt	**(431)**	(57,233)	(29,271)	(41,197)	(24,219)
Other income (expense)	**(15,777)**	692	31	236	169
Total other expense	**(107,058)**	(152,439)	(96,739)	(119,432)	(119,251)
Loss from continuing operations before income taxes and cumulative effect of change in accounting principle	**(77,011)**	(132,931)	(92,544)	(143,313)	(173,076)
Provision for income taxes	**(868)**	(517)	(2,104)	(710)	(1,729)
Loss from continuing operations before cumulative effect of change in accounting principle	**(77,879)**	(133,448)	(94,648)	(144,023)	(174,805)
(Loss) gain from discontinued operations, net of income taxes	**—**	—	(61)	(3,257)	202
Loss before cumulative effect of change in accounting principle	**(77,879)**	(133,448)	(94,709)	(147,280)	(174,603)
Cumulative effect of change in accounting principle	**—**	—	—	—	(545)
Net loss	**$ (77,879)**	$(133,448)	$ (94,709)	$(147,280)	$(175,148)
Basic and diluted loss per common share amounts:					
Loss from continuing operations before cumulative effect of change in accounting principle	**$ (0.74)**	$ (1.36)	$ (1.28)	$ (2.47)	$ (3.35)
Loss from discontinued operations	**—**	—	—	(0.05)	—
Cumulative effect of change in accounting principle	**—**	—	—	—	(0.01)
Net loss per common share	**$ (0.74)**	$ (1.36)	$ (1.28)	$ (2.52)	$ (3.36)
Basic and diluted weighted average shares outstanding	**104,743**	98,193	73,823	58,420	52,204

Selected Financial Data (continued)

As of December 31, (in thousands)	2007 (audited)	2006 (audited)	2005 (audited)	2004 (audited)	2003 (audited)
BALANCE SHEET DATA:					
Cash and cash equivalents	**$ 70,272**	$ 46,148	$ 45,934	$ 69,627	$ 8,338
Short-term investments	**55,142**	—	19,777	—	15,200
Restricted cash[(1)]	**37,601**	34,403	19,512	2,017	10,344
Property and equipment, net	**1,191,969**	1,105,942	728,333	745,831	830,145
Intangibles, net	**868,999**	724,872	31,491	1,365	2,408
Total assets	**2,384,323**	2,046,292	952,536	917,244	958,252
Total debt[(2)]	**1,905,000**	1,555,000	784,392	927,706	870,758
Total shareholders' equity (deficit)[(3)]	**337,391**	385,921	81,431	(88,671)	(1,566)

For the year ended December 31, (in thousands)	2007 (audited)	2006 (audited)	2005 (audited)	2004 (audited)	2003 (audited)
OTHER DATA:					
Cash provided by (used in):					
Operating activities	**$ 122,934**	$ 73,730	$ 49,767	$ 14,216	$ (29,808)
Investing activities	**(301,884)**	(738,353)	(99,283)	1,326	155,456
Financing activities	**203,074**	664,837	25,823	45,747	(178,451)

For the year ended December 31,	2007	2006	2005	2004	2003
TOWER DATA ROLLFORWARD:					
Towers owned at the beginning of period	**5,551**	3,304	3,066	3,093	3,877
Towers acquired in AAT acquisition	**—**	1,850	—	—	—
Towers acquired	**612**	339	208	5	—
Towers constructed	**61**	60	36	10	13
Towers reclassified/disposed of[(4)]	**(4)**	(2)	(6)	(42)	(797)
Total towers owned at the end of period	**6,220**	5,551	3,304	3,066	3,093

(1) Restricted cash of $37.6 million as of December 31, 2007 consists of $35.3 million related to CMBS mortgage loan requirements and $2.3 million related to surety bonds issued for our benefit. Restricted cash of $34.4 million as of December 31, 2006 consists of $30.7 million related to CMBS mortgage loan requirements and $3.7 million related to surety bonds issued for our benefit. Restricted cash of $19.5 million as of December 31, 2005 consisted of $17.9 million related to CMBS mortgage loan requirements and $1.6 million related to surety bonds issued for our benefit. Restricted cash of $2.0 million as of December 31, 2004 was related to surety bonds issued for our benefit. Restricted cash of $10.3 million as of December 31, 2003 consisted of $7.3 million of cash held by an escrow agent in accordance with certain provisions of the Western tower sale agreement and $3.0 million related to surety bonds issued for our benefit.

(2) Includes deferred gain on interest rate swap of $1.9 million as of December 31, 2004 and $4.6 million as of December 31, 2003, respectively.

(3) Includes deferred loss from the termination of nine interest rate swap agreements of $10.2 million as of December 31, 2007 and $12.5 million as of December 31, 2006. Includes deferred gain from the termination of two interest rate swap agreements of $8.9 million as of December 31, 2007, $11.8 million as of December 31, 2006 and $14.5 million as of December 31, 2005, respectively.

(4) Reclassifications reflect the combination for reporting purposes of multiple tower structures on a single parcel of real estate, which we market and customers view as a single location, into a single tower site. Dispositions reflect the decommissioning, sale, conveyance or other legal transfer of owned tower sites.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with the information contained in our consolidated financial statements and the notes thereto. The following discussion includes forward-looking statements that involve certain risks and uncertainties. Our actual results may differ materially from those discussed below. See "Special Note Regarding Forward-Looking Statements."

We are a leading independent owner and operator of wireless communications towers in 47 of the 48 contiguous United States, Puerto Rico, and the U.S. Virgin Islands. Our principal business line is our site leasing business, which contributes approximately 96% of our segment operating profit. In our site leasing business, we lease antenna space to wireless service providers on towers and other structures that we own, manage or lease from others. The towers that we own have been constructed by us at the request of a wireless service provider, constructed based on our own initiative or acquired. As of December 31, 2007, we owned 6,220 towers. We also manage or lease approximately 4,500 actual or potential communications sites, of which approximately 640 are revenue producing. Our second business line is our site development business, through which we assist wireless service providers in developing and maintaining their own wireless service networks.

Site Leasing Services

Our primary focus is the leasing of antenna space on our multi-tenant towers to a variety of wireless service providers under long-term lease contracts. Site leasing revenues are received primarily from wireless service provider tenants, including Alltel, AT&T, Sprint, T-Mobile and Verizon Wireless. Wireless service providers enter into numerous different tenant leases with us, each of which relates to the lease or use of space at an individual tower site. Each tenant lease is generally for an initial term of five years renewable for five five-year renewal periods at the option of the tenant. These tenant leases typically contain specific rent escalators, which average 3%–4% per year, including the renewal option periods. Tenant leases are generally paid on a monthly basis and revenue from site leasing is recorded monthly on a straight-line basis over the current term of the related lease agreements. Rental amounts received in advance are recorded in deferred revenue.

Cost of site leasing revenue primarily consists of:

- Rental payments on ground and other underlying property leases;
- Straight line rent adjustment for the difference between rental payments made and the expense recorded as if the payments had been made evenly throughout the minimum lease term (which may include renewal terms) of the underlying property lease;
- Property taxes;
- Site maintenance and monitoring costs (exclusive of employee related costs);
- Utilities; and
- Property insurance.

For any given tower, such costs are relatively fixed over a monthly or an annual time period. As such, operating costs for owned towers do not generally increase significantly as a result of adding additional customers to the tower. The amount of other direct costs associated with operating a tower varies from site to site depending on the taxing jurisdiction and the height and age of the tower but typically do not make up a large percentage of total operating costs. The ongoing maintenance requirements are typically minimal and include replacing lighting systems, painting a tower or upgrading or repairing an access road or fencing. Lastly, land leases generally have an initial term of five years with five or more additional automatic renewal periods of five years at our option and provide for rent escalators which typically average 3%–4% annually or provide for term escalators of approximately 15%.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Our site leasing business generates substantially all of our segment operating profit. The table below details the percentage of our total revenues and segment operating profit contributed by the site leasing business.

	Percentage of Revenues	Site Leasing Segment Operating Profit Contribution(1)
For the year ended December 31, 2007	**78.8%**	**95.5%**
For the year ended December 31, 2006	73.0%	95.4%
For the year ended December 31, 2005	62.0%	95.0%

(1) Site leasing segment operating profit and total segment operating profit are non-GAAP financial measures. We reconcile these measures and other Regulation G disclosures in this annual report in the section entitled Non-GAAP Financial Measures.

We believe that over the long-term, site leasing revenues will continue to grow as wireless service providers lease additional antenna space on our towers due to increasing minutes of network use, network expansion and network coverage requirements. We believe our site leasing business is characterized by stable and long-term recurring revenues, predictable operating costs and minimal capital expenditures. Due to the relatively young age and mix of our tower portfolio, we expect future expenditures required to maintain these towers to be minimal. Consequently, we expect to grow our cash flows by adding tenants to our towers at minimal incremental costs by using existing tower capacity or requiring wireless service providers to bear all or a portion of the cost of tower modifications. Furthermore, because our towers are strategically positioned and our customers typically do not re-locate, we have historically experienced low customer churn as a percentage of revenue.

Site Development Services

Our site development business is complementary to our site leasing business, and provides us the ability to keep in close contact with the wireless service providers who generate substantially all of our site leasing revenue and capture ancillary revenues that are generated by our site leasing activities, such as antenna installation and equipment installation at our tower locations. Our site development business consists of two segments, site development consulting and site development construction, through which we provide wireless service providers a full range of end-to-end services. We principally perform services for third parties in our core, historical areas of wireless expertise, specifically site acquisition, technical services and construction.

Site development services revenues are received primarily from wireless service providers or companies providing development or project management services to wireless service providers. Our site development customers engage us on a project-by-project basis, and a customer can generally terminate an assignment at any time without penalty. Site development projects, both consulting and construction, include contracts on a time and materials basis or a fixed price basis. The majority of our site development services are billed on a fixed price basis. Time and materials based site development contracts are billed and revenue is recognized at contractual rates as the services are rendered. Our site development projects generally take from three to twelve months to complete. For those site development consulting contracts in which we perform work on a fixed price basis, we bill the client, and recognize revenue, based on the completion of agreed upon phases of this project on a per site basis. Upon the completion of each phase, we recognize the revenue related to that phase.

Our revenue from site development construction contracts is recognized on the percentage-of-completion method of accounting, determined by the percentage of cost incurred to date compared to management's estimated total cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts. These amounts are based on estimates, and the uncertainty inherent in the estimates initially is reduced as work on the contracts nears completion. Revenue from our site development construction business may fluctuate from period to period depending on construction activities, which are a function of the timing and amount of our clients' capital expenditures, the number and significance of active customer engagements during a period, weather and other factors.

Cost of site development consulting revenue and construction revenue include all costs of materials, salaries and labor costs, including payroll taxes, subcontract labor, vehicle expense and other costs directly and indirectly related to the projects. All costs related to site development consulting contracts and construction contracts are recognized as incurred.

The table below provides the percentage of our total revenues contributed by site development services over the last three years. Information regarding the total assets used in our site development services businesses is included in Note 23 of our Consolidated Financial Statements included in this annual report.

	Percentage of Revenues		
For the year ended December 31,	**2007**	2006	2005
Site development consulting	**6.0%**	4.7%	5.2%
Site development construction	**15.2%**	22.3%	32.8%

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified the policies and significant estimation processes below as critical to our business operations and the understanding of our results of operations. The listing is not intended to be a comprehensive list. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management's judgment in their application. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. The impact and any associated risks related to these policies on our business operations is discussed throughout "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note 2 in the Notes to Consolidated Financial Statements for the year ended December 31, 2007, included herein. Our preparation of our financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting periods. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates and such differences could be significant.

Short-term Investments

We classify auction rate securities as short-term investments due to the short-interest rate reset period. Auction rate securities are debt instruments with long-term scheduled maturities, but have interest rates that are typically reset at pre-determined intervals, usually every 7, 28, 35 or 90 days, at which time the securities can typically be purchased or sold, creating a liquid market. The rate reset for each instrument is an opportunity to accept the reset rate or sell the instrument at its face value in order to seek an alternative investment. In the past, the auction process has allowed investors to roll over their holdings or obtain immediate liquidity by selling the securities at par. We do not intend to hold these securities to maturity, but rather to use the interest rate reset feature to provide the opportunity to maximize returns while preserving liquidity. Due to the liquidity provided by the interest rate reset mechanism and the short-term nature of our investment in these securities, they have been classified as short-term investments available for sale in current assets on our Consolidated Balance Sheets.

Typically, the fair value of auction rate securities approximates par value due to the frequent resets through the auction rate process. In recent months, auctions associated with these securities have failed as a result of there not being any demand in the marketplace. We estimated the fair value of these auction rate securities based on a subsequent sale of certain auction rate securities at par value and estimated values provided by the firm managing our auction rate investments. Management validated the assumptions used in the valuation including the ultimate time horizon and coupon rate for these securities, the credit worthiness of the underlying assets and the counterparties, and the appropriate discount margins. Due to the lack of a secondary market for our auction rate securities, the established fair value of these securities is a matter of judgment. If our estimates regarding the fair value of these securities are incorrect, a future other-than-temporary impairment charge may be required. Additionally, these estimated fair values could change significantly based on future market conditions and as such, we may be required to record additional unrealized losses for impairment if we determine there are further declines in fair value.

We reviewed the impairment charge in accordance with EITF 03-1, *"The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,"* and Staff Accounting Bulletin Topic 5M *"Other-Than-Temporary Impairment of Certain Investments in Debt and Equity Securities,"* to determine the classification of the impairment as "temporary" or "other-than-temporary." A temporary impairment charge results in an unrealized loss being recorded in the other comprehensive income component of shareholders' equity. It occurs if a loss in an investment is determined to be temporary in nature and we have the ability and intent to hold the investment until a recovery in market value takes place. Such an unrealized loss does not reduce our net income for the applicable accounting period because the loss is not viewed as other-than-temporary. An impairment charge is recorded against earnings to the extent we determine that there is a loss of fair value that is other-than-temporary. We have determined that the entire impairment related to our auction rate securities was other–than–temporary and recorded an impairment charge in other income (expense) on our Consolidated Statements of Operations based on a variety of factors, including the significant decline in fair value indicated for the individual investments and the adverse market conditions impacting auction rate securities. In addition, as of December 31, 2007, we intend to liquidate these securities within the next twelve months and do not believe that the current state of the credit markets requires us to reclassify them as long-term marketable securities on our Consolidated Balance Sheets.

Construction Revenue

Revenue from construction projects is recognized using the percentage-of-completion method of accounting, determined by the percentage of cost incurred to date compared to management's estimated total cost for each contract. This method is used because we consider total cost to be the best available measure of progress on each contract. These amounts are based on estimates, and the uncertainty inherent in the estimates initially is reduced as work on each contract nears completion. The asset "costs and estimated earnings in excess of billings on uncompleted contracts" represents expenses incurred and revenues recognized in excess of amounts billed. The liability "billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized.

Allowance for Doubtful Accounts

We perform periodic credit evaluations of our customers. We continuously monitor collections and payments from our customers and maintain an allowance for estimated credit losses based upon our historical experience and any specific customer collection issues that we have identified. Establishing reserves against specific accounts receivable and the overall adequacy of our allowance is a matter of judgment.

Asset Impairment

We evaluate the potential impairment of individual long-lived assets, principally the tower sites. We record an impairment charge when we believe an investment in towers or the intangible asset has been impaired, such that future undiscounted cash flows would not recover the then current carrying value of the investment in the tower site. We consider many factors and make certain assumptions when making this assessment, including but not limited to: general market and economic conditions, historical operating results, geographic location, lease-up potential and expected timing of lease-up. In addition, we make certain assumptions in determining an asset's fair value less costs to sell for purposes of calculating the amount of an impairment charge. Changes in those assumptions or market conditions may result in a fair value less costs to sell which is different from management's estimates. Future adverse changes in market conditions could result in losses or an inability to recover the carrying value, thereby possibly requiring an impairment charge in the future. In addition, if our assumptions regarding future undiscounted cash flows and related assumptions are incorrect, a future impairment charge may be required.

Property Tax Expense

We typically receive notifications and invoices in arrears for property taxes associated with the tangible personal property and real property used in our site leasing business. As a result, we recognize property tax expense, which is reflected as a component of site leasing cost of revenue, based on our best estimate of anticipated property tax payments related to the current period. We consider several factors in establishing this estimate, including our historical level of incurred property taxes, the location of the property, our awareness of jurisdictional property value assessment methods and industry related property tax information. If our estimates regarding anticipated property tax expenses are incorrect, a future increase or decrease in site leasing cost of revenue may be required.

RESULTS OF OPERATIONS

Year Ended 2007 Compared to Year Ended 2006

Revenues:

For the year ended December 31, (in thousands, except for percentages)	2007	Percentage of Revenues	2006	Percentage of Revenues	Percentage Change
Site leasing	**$321,818**	78.8%	$256,170	73.0%	25.6%
Site development consulting	**24,349**	6.0%	16,660	4.7%	46.2%
Site development construction	**62,034**	15.2%	78,272	22.3%	(20.7)%
Total revenues	**$408,201**	100.0%	$351,102	100.0%	16.3%

Site leasing revenue increased $65.6 million due to an increase in the number of tenants and the amount of equipment added to our historical towers and from revenue generated by the towers that we acquired in our April 2006 acquisition of AAT Communications Corporation ("AAT") and the other towers we acquired or constructed subsequent to December 31, 2005. The 1,850 AAT towers were only owned for eight months for the year ended December 31, 2006 as compared to the entire year ended December 31, 2007. The AAT towers contributed approximately $98.6 million of the total revenues for the fiscal year ended December 31, 2007 compared to approximately $63.2 million for the same period of 2006, an increase of approximately $35.4 million. As of December 31, 2007, we had 15,429 tenants as compared to 13,602 tenants at December 31, 2006. Additionally, we have experienced, on average, higher rents per tenant due to higher rents from new tenants, higher annual rents upon renewal by existing tenants and increased rental rates associated with additional equipment added by existing tenants.

Site development consulting revenue increased $7.7 million as a result of a higher volume of work for the year ended December 31, 2007 versus the same period of 2006. The higher volume of work was primarily due to services provided in connection with Sprint's development of its network.

Site development construction revenue decreased $16.2 million due to the wind-down or completion of certain of our prior construction contracts from the larger wireless service providers, as well as a significant decline in the volume of work performed for AT&T during 2007 as compared to the same period in the prior year.

Operating Expenses:

For the year ended December 31, (in thousands)	2007	2006	Dollar Change	Percentage Change
Cost of revenues (exclusive of depreciation, accretion and amortization):				
Site leasing	**$ 88,006**	$ 70,663	$ 17,343	24.5%
Site development consulting	**19,295**	14,082	5,213	37.0%
Site development construction	**56,052**	71,841	(15,789)	(22.0)%
Selling, general and administrative	**45,569**	42,277	3,292	7.8%
Restructuring credits	**—**	(357)	357	(100.0)%
Depreciation, accretion and amortization	**169,232**	133,088	36,144	27.2%
Total operating expenses	**$378,154**	$331,594	$ 46,560	14.0%

Site leasing cost of revenues increased $17.3 million primarily as a result of the AAT towers and the growth in the number of towers owned by us, which was 6,220 at December 31, 2007, up from 5,551 at December 31, 2006. The AAT towers contributed approximately $27.8 million to the total site leasing cost of revenues for the year ended December 31, 2007 compared to approximately $19.6 million for the year ended December 31, 2006, an increase of approximately $8.2 million.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Site development consulting cost of revenues increased $5.2 million as a result of higher volume of work for the year ended December 31, 2007 versus the same period of 2006, largely due to services provided during 2007 in connection with Sprint's development of its network. Site development construction cost of revenue decreased $15.8 million due to the wind-down or completion of certain of our prior construction contracts from the larger wireless service providers, as well as a significant decline in the volume of work performed for AT&T for the year ended December 31, 2007 as compared to the same period in the prior year.

Selling, general, and administrative expenses increased $3.3 million primarily as a result of an increase in salaries, benefits, and other back office expenses resulting primarily from a higher number of employees, a significant portion of which is attributable to the AAT acquisition. Selling, general, and administrative expenses were also impacted by $6.3 million of stock option and employee stock purchase plan expense that we recognized for the year ended December 31, 2007 in accordance with SFAS 123R as compared to $5.3 million in the comparable period in 2006, an increase of $1.0 million.

Depreciation, accretion and amortization expense increased $36.1 million to $169.2 million for the year ended December 31, 2007 from $133.1 million for the year ended December 31, 2006. Approximately $71.2 million was associated with the AAT towers for the year ended December 31, 2007 versus approximately $46.4 million for the comparable period in 2006, an increase of approximately $24.8 million.

Operating Income:

Operating income was $30.0 million for the year ended December 31, 2007 as compared to $19.5 million for the year ended December 31, 2006. The increase of $10.5 million is primarily the result of higher revenues without a commensurate increase in cost of revenues in the site leasing and site development consulting segments, offset by an increase in selling, general and administrative expenses and depreciation, accretion and amortization expense.

Segment Operating Profit:

For the year ended December 31, (in thousands)	2007	2006	Dollar Change	Percentage Change
Segment operating profit:				
Site leasing	**$233,812**	$185,507	$48,305	26.0%
Site development consulting	**5,054**	2,578	2,476	96.0%
Site development construction	**5,982**	6,431	(449)	(7.0)%
Total	**$244,848**	$194,516	$50,332	25.9%

The increase in site leasing segment operating profit of $48.3 million is primarily related to additional revenue generated by the increased number of towers acquired in the AAT acquisition. The AAT towers contributed approximately $70.8 million of the total site leasing segment operating profit for the year ended December 31, 2007 as compared to approximately $43.6 million for the year ended December 31, 2006, an increase of approximately $27.2 million. The remaining increase in our site leasing segment operating profit is due to increased revenue from the increased number of tenants and tenant equipment on our sites for the year ended December 31, 2007 versus the same period in 2006 without a commensurate increase in site leasing cost of revenue. We reconcile these non-GAAP financial measures and provide the Regulation G disclosures in this annual report in the section entitled Non-GAAP Financial Measures.

Other Income (Expense):

For the year ended December 31, (in thousands)	2007	2006	Dollar Change	Percentage Change
Interest income	$ 10,182	$ 3,814	$ 6,368	167.0%
Interest expense	(92,498)	(81,283)	(11,215)	13.8%
Non-cash interest expense	—	(6,845)	6,845	(100.0)%
Amortization of deferred financing fees	(8,534)	(11,584)	3,050	(26.3)%
Loss from write-off of deferred financing fees and extinguishment of debt	(431)	(57,233)	56,802	(99.2)%
Other (expense) income	(15,777)	692	(16,469)	(2,379.9)%
Total other expense	$(107,058)	$(152,439)	$ 45,381	(29.8)%

Interest income increased $6.4 million for the year ended December 31, 2007 when compared to the year ended December 31, 2006. The increase is primarily the result of investment earnings on the net proceeds of the Convertible Senior Notes (the "Notes") offering completed at the end of the first quarter of 2007.

Interest expense for the year ended December 31, 2007 increased $11.2 million from the year ended December 31, 2006. This increase is primarily due to the higher weighted average amount of cash interest-bearing debt outstanding for the year ended December 31, 2007 as compared to the year ended December 31, 2006, which is partially offset by a reduction in our weighted average cash interest rate for the same periods. Specifically, (1) our $1.1 billion bridge loan for the AAT acquisition was only outstanding for seven months of the year ended December 31, 2006 and was not outstanding during any portion of the year ended December 31, 2007, while the $1.15 billion CMBS Certificates issued in 2006, which were used to refinance the bridge loan, were outstanding for a little over one month for the year ended December 31, 2006 and were outstanding for the full year ended December 31, 2007, and (2) we had $350.0 million of additional debt outstanding for nine months in 2007 consisting of our Notes compared to none in the year ended December 31, 2006.

There was no non-cash interest for the year ended December 31, 2007 compared to $6.8 million for the year ended December 31, 2006. The decrease was a result of the repurchase of all of the outstanding 9¾% senior discount notes in April 2006.

Amortization of deferred financing fees decreased by $3.1 million for the year ended December 31, 2007, as compared to the year ended December 31, 2006. This decrease was primarily a result of fully amortizing fees relating to the $1.6 billion of CMBS Certificates over a period of five years, with one year of amortization during the year ended December 31, 2007 as compared to fully amortizing fees on the $1.1 billion bridge loan over nine months, with seven months of amortization during the year ended December 31, 2006.

The loss from write-off of deferred financing fees and extinguishment of debt was $0.4 million for the year ended December 31, 2007 associated with the termination of the senior revolving credit facility in April 2007. This amount was $57.2 million for the year ended December 31, 2006 associated with the loss from write-off of $10.2 million of deferred financing fees and $47.0 million of losses on extinguishment of debt resulting from the prepayment of the $1.1 billion bridge loan in November 2006 and the repurchase of the 8½% senior notes and 9¾% senior discount notes in April 2006.

Other expense of $15.8 million includes an other-than-temporary impairment loss on short-term investments of $15.6 million for the year ended December 31, 2007 associated with our investments in auction rate securities. See discussion in "Liquidity and Capital Resources" in Part II, Item 7 as well as Note 4 to the Consolidated Financial Statements for more information on our investments in auction rate securities and this other-than-temporary impairment charge.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Adjusted EBITDA:

Adjusted EBITDA was $209.4 million for the year ended December 31, 2007 as compared to $161.8 million for the year ended December 31, 2006. The increase of $47.6 million is primarily the result of increased segment operating profit from our site leasing segment largely driven from the AAT acquisition. We reconcile this measure and other Regulation G disclosures in this annual report in the section entitled Non-GAAP Financial Measures.

Net Loss:

Net loss was $77.9 million for the year ended December 31, 2007 as compared to $133.4 million for the year ended December 31, 2006. The decrease of $55.5 million is primarily the result of the decrease in loss from write-off of deferred financing fees and extinguishment of debt.

Year Ended 2006 Compared to Year Ended 2005

Revenues:

For the year ended December 31, (in thousands, except for percentages)	2006	Percentage of Revenues	2005	Percentage of Revenues	Percentage Change
Site leasing	$256,170	73.0%	$161,277	62.0%	58.8%
Site development consulting	16,660	4.7%	13,549	5.2%	23.0%
Site development construction	78,272	22.3%	85,165	32.8%	(8.1)%
Total revenues	$351,102	100.0%	$259,991	100.0%	35.0%

Site leasing revenue increased $94.9 million due to the increased number of new tenant installations, the amount of lease amendments related to equipment added to our towers, revenue generated by the towers that we acquired in the AAT acquisition and other towers acquired or constructed subsequent to December 31, 2005. The AAT acquisition contributed approximately $63.2 million of the increase in total revenues. As of December 31, 2006, we had 13,602 tenants as compared to 8,278 tenants at December 31, 2005. Additionally, we have experienced, on average, higher rents per tenants due to higher rents from new tenants, higher rents upon renewal by existing tenants and additional equipment added by existing tenants. Lastly, we added 2,249 towers to our portfolio in 2006 versus only adding 244 towers in 2005.

Site development consulting revenues increased $3.1 million as a result of a higher volume of work in 2006 versus 2005. Site development construction revenue decreased due to the roll-off of certain of our prior construction contracts from the larger wireless carriers and our efforts to focus on capturing higher margin services work rather than volume.

Operating Expenses:

For the year ended December 31, (in thousands)	2006	2005	Dollar Change	Percentage Change
Cost of revenues (exclusive of depreciation, accretion and amortization):				
Site leasing	$ 70,663	$ 47,259	$23,404	49.5%
Site development consulting	14,082	12,004	2,078	17.3%
Site development construction	71,841	80,689	(8,848)	(11.0)%
Selling, general and administrative	42,277	28,178	14,099	50.0%
Asset impairments and other (credits) charges	(357)	448	(805)	(179.7)%
Depreciation, accretion and amortization	133,088	87,218	45,870	52.6%
Total operating expenses	$331,594	$255,796	$75,798	29.6%

Site leasing cost of revenues increased $23.4 million primarily as a result of the growth in the number of towers owned by us, which was 5,551 at December 31, 2006, up from 3,304 at December 31, 2005. The AAT acquisition contributed approximately $19.6 million to the increase in total site leasing cost of revenues. Site development consulting cost of revenues increased by $2.1 million as a result of higher volume of work for the year ended December 31, 2006 versus the same period of 2005. Site development construction cost of revenue decreased by $8.8 million due to the roll-off of certain of our prior construction contracts from the larger wireless carriers and our efforts to focus on capturing higher margin services work rather than volume. That focus and changing market conditions for the year ended December 31, 2006 resulted in higher margin jobs in 2006 versus 2005.

Selling, general, and administrative expenses increased $14.1 million, which was due to a $6.9 million increase in salaries, benefits, and other back office operating expenses resulting primarily from a higher number of employees, a significant portion of which is attributable to the AAT acquisition. Selling, general, and administrative expenses were also impacted by $5.3 million of stock option and employee stock purchase plan expense that we recognized in 2006 in accordance with SFAS 123R as compared to $0.5 million in 2005. The remaining portion of the increase was due to $2.3 million of bonus, transition, and integration expenses incurred in connection with the AAT acquisition. These bonus, transition, and integration expenses are not expected to recur in future years.

Depreciation, accretion and amortization expense increased $45.9 million primarily due to expense on assets acquired in the AAT acquisition, which represented approximately $46.4 million, offset by the decrease in certain towers becoming fully depreciated since December 31, 2005.

Operating Income:

Operating income was $19.5 million for the year ended December 31, 2006 as compared to $4.2 million for the year ended December 31, 2005. The increase of $15.3 million is primarily due to increases in the segment operating profit (see below) of the site leasing segment, which was primarily due to an increased number of towers acquired in the AAT acquisition. This increase was further augmented by an increase in segment operating profit of the site development construction segment which was due to the roll-off of certain of our prior construction contracts from the larger wireless carriers which were at lower margins than subsequent work that was at higher margins. These increases were offset by an increase in selling, general and administrative expenses and depreciation, accretion and amortization expense for the year ended December 31, 2006 versus the year ended December 31, 2005.

Segment Operating Profit:

For the year ended December 31, (in thousands)	2006	2005	Dollar Change	Percentage Change
Segment operating profit:				
Site leasing	$185,507	$114,018	$71,489	62.7%
Site development consulting	2,578	1,545	1,033	66.9%
Site development construction	6,431	4,476	1,955	43.7%
Total	$194,516	$120,039	$74,477	62.0%

The increase in site leasing segment operating profit of $71.5 million is primarily related to additional revenue generated by the increased number of towers acquired in the AAT acquisition, which contributed approximately $43.6 million of the increase. The remaining increase is primarily due to the revenue from the increased number of tenants and tenant equipment on our sites in 2006 versus 2005, which have minimal incremental associated costs. We reconcile this measure and provide other Regulation G disclosures in this annual report in the section entitled Non-GAAP Financial Measures.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Other Income (Expense):

For the year ended December 31, (in thousands)	2006	2005	Dollar Change	Percentage Change
Interest income	$ 3,814	$ 2,096	$ 1,718	82.0%
Interest expense	(81,283)	(40,511)	(40,772)	100.6%
Non-cash interest expense	(6,845)	(26,234)	19,389	(73.9)%
Amortization of deferred financing fees	(11,584)	(2,850)	(8,734)	306.5%
Loss from write-off of deferred financing fees and extinguishment of debt	(57,233)	(29,271)	(27,962)	95.5%
Other	692	31	661	2,132.3%
Total other expense	$(152,439)	$(96,739)	$(55,700)	57.6%

Interest expense for the year ended December 31, 2006 increased $40.8 million from the year ended December 31, 2005. This increase is primarily due to the higher aggregate amount of cash interest-bearing debt outstanding during 2006, which consisted of the $1.1 billion bridge loan during the second, third, and a portion of the fourth quarters of 2006 and $405 million of CMBS Certificates issued in 2005 were outstanding for all twelve months of 2006 and $1.15 billion of CMBS Certificates issued in 2006 were outstanding for the last two months of 2006, versus an average balance of $587.6 million of interest bearing debt in 2005, which was primarily comprised of our 8½% senior notes, our senior secured credit facility and the Initial CMBS Certificates.

Non-cash interest expense for the year ended December 31, 2006 decreased $19.4 million from the year ended December 31, 2005. The decrease was a result of the redemption and repurchase of $111.8 million of 9¾% senior discount notes in June and November of 2005 and the repurchase of the remaining aggregate principal amount of $223.7 million of these notes in April 2006.

Amortization of deferred financing fees increased $8.7 million from the year ended December 31, 2006, as compared to the year ended December 31, 2005. This increase was primarily due to amortization of fees relating to the $1.1 billion bridge loan, the $1.15 billion of CMBS Certificates issued in 2006, the $405.0 million of CMBS Certificates issued in 2005, and the senior revolving credit facility versus the amortization of fees on outstanding 8½% senior notes, 9¾% senior discount notes, and the senior secured credit facility for the year ended December 31, 2005.

Loss from write-off of deferred financing fees and extinguishment of debt for the year ended December 31, 2006 was $57.2 million, an increase of $28.0 million from the year ended December 31, 2005. The increase was attributable to the loss from write-off of $10.2 million of deferred financing fees and $47.0 million of losses on the extinguishment of debt resulting from the repayment of the $1.1 billion of the bridge loan in November 2006, repurchase of $223.7 million of our 9¾% senior discount notes and $162.5 million of our 8½% senior notes in April 2006, versus the loss from write-off of $2.3 million of deferred financing fees and $10.9 million of losses on the extinguishment of debt associated with the redemption of $111.8 million of our 9¾% senior discount notes, the write-off of $1.7 million of deferred financing fees and $7.4 million of losses from the write-off of $87.5 million of our 8½% senior notes, the write-off of $5.4 million of deferred financing fees associated with the repayment and refinancing of our prior senior credit facility, and the write-off of $0.8 million of deferred financing fees and $0.7 million on the extinguishment of debt associated with the redemption of $50.0 million of our 10¼% bonds during 2005.

Adjusted EBITDA:

The Adjusted EBITDA was $161.8 million for the year ended December 31, 2006 as compared to $95.3 million for the year ended December 31, 2005. The increase of $66.5 million is primarily the result of increased segment operating profit from our site leasing segment. Adjusted EBITDA is a non-GAAP financial measure. We reconcile this measure and provide other Regulation G disclosures in this annual report in the section entitled Non-GAAP Financial Measures.

Net Loss:

Net loss was $133.4 million for the year ended December 31, 2006 as compared to $94.7 million for the year ended December 31, 2005. The increase of $38.7 million is primarily a result of higher interest expense, an increase in loss from write-off of deferred financing fees and extinguishment of debt and higher amortization of deferred financing fees, offset by improved operating income and lower non-cash interest expense for the year ended December 31, 2006 as compared to the year ended December 31, 2005.

LIQUIDITY AND CAPITAL RESOURCES

SBA Communications Corporation (“SBA Communications”) is a holding company with no business operations of its own. Our only significant asset is the outstanding capital stock of SBA Telecommunications, Inc. (“Telecommunications”) which is also a holding company that owns the outstanding capital stock of SBA Senior Finance, Inc. (“SBA Senior Finance”), which, directly or indirectly, owns the equity interest in substantially all of our subsidiaries. We conduct all of our business operations through our SBA Senior Finance subsidiaries, primarily the borrowers under the mortgage loan underlying the CMBS Certificates, and SBA Senior Finance II LLC. Accordingly, our only source of cash to pay our obligations, other than financings, is distributions with respect to our ownership interest in our subsidiaries from the net earnings and cash flow generated by these subsidiaries.

A summary of our cash flows is as follows:

For the year ended December 31, (in thousands)	2007
Summary cash flow information:	
Cash provided by operating activities	$ 122,934
Cash used in investing activities	(301,884)
Cash provided by financing activities	203,074
Increase in cash and cash equivalents	24,124
Cash and cash equivalents, December 31, 2006	46,148
Cash and cash equivalents, December 31, 2007	**$ 70,272**

Sources of Liquidity

We have traditionally funded our growth, including our tower portfolio growth, through long-term indebtedness and equity issuances. In addition, we also fund our growth with cash flows from operations.

During 2005 and 2006, we began to utilize the Commercial Mortgage Backed Securities market to refinance our debt as it provided us an opportunity to capitalize on the long-term nature of the revenue stream from our tower portfolio to reduce our weighted average cost of interest.

On March 26, 2007, we issued $350.0 million of our 0.375% Convertible Senior Notes due in 2010. Semi-annual interest payments on the Notes are due each June 1 and December 1, beginning June 1, 2007. The maturity date of the Notes is December 1, 2010. The Notes are convertible, at the holder’s option, into shares of our Class A common stock, at an initial conversion rate of 29.7992 shares per $1,000 principal amount of Notes (subject to certain customary adjustments), which is equivalent to an initial conversion price of approximately $33.56 per share or a 19% conversion premium based on the last reported sale price of $28.20 per share of Class A common stock on the Nasdaq Global Select Market on March 20, 2007. The Notes are only convertible under certain specified circumstances. Upon conversion, we have the right to settle the conversion of each $1,000 principal amount of Notes with any of the three following alternatives, at our option, delivery of (1) 29.7992 shares of our Class A common stock, (2) cash equal to the value of 29.7992 shares of our Class A common stock calculated at the market price per share of our Class A common stock at the time of conversion or (3) a combination of cash and shares of our Class A common stock.

The net proceeds from this offering were approximately $341.4 million after deducting discounts, commissions and expenses. A portion of the net proceeds from the sale of the Notes was used to repurchase approximately 3.24 million shares of our Class A common stock at a price of $28.20 per share, or approximately $91.2 million, which shares were subsequently retired.

Cash provided by operating activities was $122.9 million for the year ended December 31, 2007 as compared to $73.7 million for the year ended December 31, 2006. This increase was primarily the result of segment operating profit from the site leasing segment, net of interest expense and selling, general and administrative expenses.

In January 2008, SBA Senior Finance entered into a $285.0 million senior secured revolving credit facility. The facility may be borrowed, repaid and redrawn, subject to compliance with certain covenants. Proceeds available under the facility may only be used for the construction or acquisition of towers and for ground lease buyouts. Amounts borrowed under the facility will accrue interest at LIBOR plus a margin that ranges from 150 basis points to 300 basis points or at a Base Rate plus a margin that ranges from 50 basis points to 200 basis points, based on consolidated total debt to annualized SBA Senior Finance's EBITDA ratio (calculated excluding the impact from the borrowers under the mortgage loan underlying the CMBS Certificates). Amounts borrowed under this facility will be secured by a first lien on substantially all of SBA Communications', Telecommunications' and SBA Senior Finance's assets not previously pledged under the CMBS Certificates and substantially all of the subsidiary guarantors' assets and are guaranteed by SBA Communications, Telecommunications, and the subsidiary guarantors. Subject to compliance with certain covenants, the facility does not restrict (1) the payment by Senior Finance to us of funds generated from operations, (2) the use of those funds by us and (3) the incurrence of additional indebtedness by us.

In order to manage our leverage position and to ensure continued compliance with our financial covenants, we may decide to pursue a variety of actions. These actions may include the issuance of additional indebtedness to stay at target leverage levels, selling certain assets or lines of business, issuing common stock or securities convertible into shares of common stock, or pursuing other financing alternatives, including securitization transactions. If implemented, these actions could increase our interest expense and/or dilute our existing shareholders. We cannot assure you that we will implement any of these strategies or that, if implemented, these strategies could be implemented on terms favorable to us and our shareholders.

Equity Issuances

We have on file with the Securities and Exchange Commission (the "Commission") a shelf registration statement on Form S-4 registering shares of Class A common stock that we may issue in connection with the acquisition of wireless communication towers, companies who own towers or companies that provide related services. During 2007, we filed a shelf registration statement on Form S-4 with the Commission registering an additional aggregate 4.0 million shares of its Class A common stock. During 2007, we issued approximately 4.7 million shares of Class A common stock under these registration statements in connection with the acquisition of 266 towers and related assets. As of December 31, 2007, we had approximately 3.8 million shares of Class A common stock remaining under these shelf registration statements.

On April 14, 2006, we filed with the Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR. This registration statement enables us to issue shares of our Class A common stock, shares of preferred stock, which may be represented by depositary shares, unsecured senior, senior subordinated or subordinated debt securities; and warrants to purchase any of these securities in any amounts approved by our board of directors, subject to the requirements of the Nasdaq Stock Market and the securities and other laws applicable to us. Under the rules governing automatic shelf registration statements, we will file a prospectus supplement and advise the Commission of the amount and type of securities each time we issue securities under this registration statement. For the year ended December 31, 2007, we did not issue any securities under this automatic shelf registration statement.

Uses of Liquidity

Our principal use of liquidity is cash capital expenditures associated with the growth of our tower portfolio. Our cash capital expenditures, including cash used for acquisitions, for the year ended December 31, 2007 were $229.2 million. The $229.2 million included cash capital expenditures of $178.0 million that we incurred in connection with the acquisition of 612 completed towers, the remaining equity interest in one tower that we previously owned a 50% interest in and earnouts for the year ended December 31, 2007, net of related prorated rental receipts and payments. This amount also includes $15.5 million related to new tower construction, $5.4 million for maintenance tower capital expenditures, $5.5 million for augmentations and tower upgrades, $1.4 million for general corporate expenditures, and $23.4 million for ground lease purchases. The $15.5 million of new tower construction included costs associated with the completion of 61 new towers for the year ended December 31, 2007 and costs incurred on sites currently in process.

We currently expect to incur capital expenditures associated with tower maintenance and general corporate expenditures of $6.5 million to $8.5 million during 2008. Based upon our current plans, we expect discretionary cash capital expenditures during 2008 to be $170.0 million to $190.0 million. Primarily, these cash capital expenditures relate to the 80 to 100 towers we intend to build in 2008, ground lease purchases and current acquisition plans, including, as of February 21, 2008, the 47 towers acquired since December 31, 2007 and the 179 towers that are subject to pending acquisition agreements.

We estimate we will incur approximately $1,000 per tower per year for capital improvements or modifications to our towers. All of these planned capital expenditures are expected to be funded by cash on hand and cash flow from operations. The exact amount of our future capital expenditures will depend on a number of factors including amounts necessary to support our tower portfolio, our new tower build program and tower acquisition program and our ground lease purchase program.

Debt Service Requirements

At December 31, 2007, we had $405.0 million outstanding of Initial CMBS Certificates. The Initial CMBS Certificates have an anticipated repayment date of November 15, 2010. Interest on the Initial CMBS Certificates is payable monthly at a blended annual rate of 5.6%. Based on the amounts outstanding at December 31, 2007, annual debt service on the Initial CMBS Certificates is $22.7 million.

At December 31, 2007, we had $1.15 billion outstanding of Additional CMBS Certificates. The Additional CMBS Certificates have an anticipated repayment date of November 15, 2011. Interest on the Additional CMBS Certificates is payable monthly at a blended annual rate of 6.0%. Based on the amounts outstanding at December 31, 2007, annual debt service on the Additional CMBS Certificates is $68.9 million.

At December 31, 2007, we had $350.0 million outstanding of Notes. The Notes have a maturity date of December 1, 2010. Interest on the Notes is payable semi-annually each June 1 and December 1 at an annual rate of 0.375%. Based on the amounts outstanding at December 31, 2007, annual debt service on the Notes is $1.3 million.

At December 31, 2007, we believe that our cash flows from operations for the next twelve months will be sufficient to service our outstanding debt during the next twelve months.

Debt Instruments

CMBS Certificates

On November 18, 2005, SBA CMBS-1 Depositor LLC (the “Depositor”), an indirect subsidiary of ours, sold in a private transaction $405.0 million of Initial CMBS Certificates issued by SBA CMBS Trust (the “Trust”). The sole assets of the Trust are a non-recourse mortgage loan in which SBA Properties, Inc. (“SBA Properties”) was the initial borrower. The mortgage loan consists of multiple tranches, or components, each of which has terms that are identical to the subclass of CMBS Certificates to which it relates. SBA Properties and each of the Additional Borrowers (defined below) added to the mortgage in connection with the issuance of the Additional CMBS Certificates are special purpose vehicles which exist solely to hold the towers which are subject to the securitization.

The Initial CMBS Certificates consist of five classes, all of which are rated investment grade with a principal balance and pass-through interest rate as indicated in the table below:

Subclass (in thousands)	Initial Subclass Principal Balance	Pass-through Interest Rate
2005-1A	$238,580	5.369%
2005-1B	48,320	5.565%
2005-1C	48,320	5.731%
2005-1D	48,320	6.219%
2005-1E	21,460	6.706%
Total	$405,000	5.608%

The weighted average monthly fixed coupon interest rate of the Initial CMBS Certificates is 5.6%, and the effective weighted average fixed interest rate is 4.8% after giving effect to a settlement of two interest rate swap agreements entered into in contemplation of the transaction. The Initial CMBS Certificates have an expected life of five years with a final repayment date in 2035. The proceeds of the Initial CMBS Certificates were primarily used to purchase the prior senior credit facility of SBA Senior Finance and to fund reserves and pay expenses associated with the offering.

On November 6, 2006, the Depositor sold, in a private transaction, $1.15 billion of Additional CMBS Certificates issued by the Trust. The Additional CMBS Certificates consist of nine classes with a principal balance and pass-through interest rate for each class as indicated in the table below:

Subclass (in thousands)	Initial Subclass Principal Balance	Pass-through Interest Rate
2006-1A	$ 439,420	5.314%
2006-1B	106,680	5.451%
2006-1C	106,680	5.559%
2006-1D	106,680	5.852%
2006-1E	36,540	6.174%
2006-1F	81,000	6.709%
2006-1G	121,000	6.904%
2006-1H	81,000	7.389%
2006-1J	71,000	7.825%
Total	$1,150,000	5.993%

The weighted average monthly fixed coupon interest rate of the Additional CMBS Certificates is 6.0%, and the effective weighted average fixed interest rate is 6.3% after giving effect to the settlement of the nine interest rate swap agreements entered into in contemplation of the transaction. The Additional CMBS Certificates have an expected life of five years with a final repayment date in 2036. The proceeds of the Additional CMBS Certificates were primarily used to repay the bridge loan incurred with the acquisition of AAT and to fund required reserves and expenses associated with the Additional CMBS Transaction.

In connection with the issuance of the Additional CMBS Certificates, each of SBA Sites, Inc., SBA Structures, Inc., SBA Towers, Inc., SBA Puerto Rico, Inc. and SBA Towers USVI, Inc. (the "Additional Borrowers" and collectively with the Initial Borrower, the "Borrowers") were added as additional borrowers under the mortgage loan and the principal amount of the mortgage loan was increased by $1.15 billion to an aggregate of $1.56 billion. The Borrowers are jointly and severally liable under the mortgage loan. The mortgage loan is to be paid from the operating cash flows from the aggregate 4,975 towers owned by the Borrowers. Subject to certain limited exceptions described below, no payments of principal will be required to be made for the components of the mortgage loan corresponding to the Initial CMBS Certificates prior to the monthly payment date in November 2010, which is the anticipated repayment date for the components of the mortgage loan corresponding to the Initial CMBS Certificates, and no payments of principal will be required to be made for the components of the mortgage loan corresponding to the Additional CMBS Certificates prior to the monthly payment date in November 2011, which is the anticipated repayment date for the components of the mortgage loan corresponding to the Additional CMBS Certificates.

The Borrowers may not prepay the mortgage loan in whole or in part at any time prior to (1) November 2010 for the components of the mortgage loan corresponding to the Initial CMBS Certificates and (2) November 2011 for the components of the mortgage loan corresponding to the Additional CMBS Certificates, except in limited circumstances (such as the occurrence of certain casualty and condemnation events relating to the Borrowers' tower sites). Thereafter, prepayment is permitted provided it is accompanied by any applicable prepayment consideration. If the prepayment occurs within nine months of the anticipated repayment date, no prepayment consideration is due. The entire unpaid principal balance of the mortgage loan components corresponding to the Initial CMBS Certificates will be due in November 2035 and those corresponding to the Additional CMBS Certificates will be due in November 2036. However, to the extent that the full amount of the mortgage loan component corresponding to the Initial CMBS Certificates or the amount of the mortgage loan component corresponding to the Additional CMBS Certificates are not fully repaid by their respective anticipated repayment dates, the interest rate of each component would increase by approximately 5% plus any difference between the contractual weighted average monthly fixed interest rate in effect at the time of issuance of the CMBS Certificates and the then current weighted average monthly fixed interest rate. The mortgage loan may be defeased in whole at any time.

The mortgage loan is secured by (1) mortgages, deeds of trust and deeds to secure debt on substantially all of the Borrowers' tower sites and their operating cash flows, (2) a security interest in substantially all of the Borrowers' personal property and fixtures and (3) the Borrowers' rights under the management agreement entered into with SBA Network Management, Inc. ("SBA Network Management") relating to the management of the Borrowers' tower sites by SBA Network Management pursuant to which SBA Network Management arranges for the payment of all operating expenses and the funding of all capital expenditures out of amounts on deposit in one or more operating accounts maintained on the Borrowers' behalf. For each calendar month, SBA Network Management is entitled to receive a management fee equal to 7.5% of the Borrowers' operating revenues for the immediately preceding calendar month. This management fee was reduced from 10% in connection with the issuance of the Additional CMBS Certificates.

In connection with the issuance of the CMBS Certificates, we are required to fund a restricted cash amount, which represents the cash held in escrow pursuant to the mortgage loan governing the CMBS Certificates to fund certain reserve accounts for the payment of debt service costs, ground rents, real estate and personal property taxes, insurance premiums related to tower sites, trustee and service expenses, and to reserve a portion of advance rents from tenants on the 4,975 tower sites. Based on the terms of the CMBS Certificates, all rental cash receipts each month are restricted and held by the indenture trustee. The monies held by the indenture trustee are classified as restricted cash on our Consolidated Balance Sheets. The monies held by the indenture trustee in excess of required reserve balances are subsequently released to the Borrowers on or before the 15th calendar day following month end. However, if the debt service coverage ratio, defined as the Net Cash Flow (as defined in the mortgage loan agreement) divided by the amount of interest on the mortgage loan, servicing fees and trustee fees that the Borrowers will be required to pay over the succeeding twelve months, as of the end of any calendar quarter, falls to 1.30 times or lower, then all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as excess cash flow, will be deposited into a reserve account instead of being released to the Borrowers. The funds in the reserve account will not be released to the Borrowers unless the debt service coverage ratio exceeds 1.30 times for two consecutive calendar quarters. If the debt service coverage ratio falls below 1.15 times as of the end of any calendar quarter, then an "amortization period" will commence and all funds on deposit in the reserve account will be applied to prepay the mortgage loan until such time as the debt service coverage ratio exceeds 1.15 times for a calendar quarter. Otherwise, on a monthly basis, the excess cash flow of the Borrowers held by the Trustee after payment of principal, interest, reserves and expenses is distributed to the Borrowers. As of December 31, 2007, we met the required debt service coverage ratio as defined by the mortgage loan agreement.

0.375% Convertible Senior Notes due 2010

On March 26, 2007 we issued $350.0 million of our 0.375% Convertible Senior Notes due 2010. Interest is payable semi-annually on June 1 and December 1, beginning June 1, 2007. The maturity date of the Notes is December 1, 2010. The Notes are convertible, at the holder's option, into shares of our Class A common stock, at an initial conversion rate of 29.7992 shares per $1,000 principal amount of Notes (subject to certain customary adjustments), which is equivalent to an initial conversion price of approximately $33.56 per share or a 19% conversion premium based on the last reported sale price of $28.20 per share of Class A common stock on the Nasdaq Global Select Market on March 20, 2007. The Notes are only convertible under the following circumstances:

- during any calendar quarter commencing at any time after June 30, 2007 and only during such calendar quarter, if the last reported sale price of our Class A common stock for at least 20 trading days in the 30 consecutive trading day period ending on the last trading day of the preceding calendar quarter is more than 130% of the applicable conversion price per share of Class A common stock on the last day of such preceding calendar quarter;

- during the five business day period after any 10 consecutive trading day period in which the trading price of a Note for each day in the measurement period was less than 95% of the product of the last reported sale price of our Class A common stock and the applicable conversion rate;
- if specified distributions to holders of our Class A common stock are made or specified corporate transactions occur; and
- at any time on or after October 12, 2010.

Upon conversion, we have the right to settle the conversion of each $1,000 principal amount of Notes with any of the three following alternatives, at our option, delivery of (1) 29.7992 shares of our Class A common stock, (2) cash equal to the value of 29.7992 shares of our Class A common stock calculated at the market price per share of our Class A common stock at the time of conversion or (3) a combination of cash and shares of our Class A common stock.

Concurrently with the sale of the Notes, we entered into convertible note hedge transactions whereby we purchased from affiliates of two of the initial purchasers of the Notes, an option covering 10,429,720 shares of our Class A common stock at an initial price of $33.56 per share. Separately and concurrently with the sale of the Notes, we entered into sold warrant transactions whereby we sold to affiliates of two of the initial purchasers of the Notes warrants to acquire 10,429,720 shares of our Class A common stock at an initial exercise price of $55.00 per share. The convertible note hedge transactions and the sold warrant transactions, taken as a whole, effectively increase the conversion price of the Notes from $33.56 per share to $55.00 per share. As we can not determine when, or whether, the Notes will be converted, the convertible note hedge transactions and the sold warrant transactions, taken as a whole, minimize the liquidity risk associated with early conversion of the Notes until such time that our Class A common stock is trading at a price above $55.00 per share (the upper strike of the sold warrants).

Senior Secured Revolving Credit Facility

In January 2008, SBA Senior Finance, which we refer to as SBASF, entered into a $285.0 million senior secured revolving credit facility. The senior secured revolving credit facility consists of a revolving loan of up to $285.0 million, based on compliance with certain financial ratios. The facility may be borrowed, repaid and redrawn, subject to compliance with the financial and other covenants in the Senior Credit Agreement. Amounts borrowed under the facility are payable quarterly and accrue interest at LIBOR plus a margin that ranges from 150 basis points to 300 basis points or at a Base Rate (as defined in the Senior Credit Agreement) plus a margin that ranges from 50 basis points to 200 basis points, based on the Consolidated Total Debt to Annualized Borrower EBITDA ratio (as defined in the Senior Credit Agreement and discussed below). The facility will terminate and SBASF will repay all amounts outstanding on the earlier of (i) the third anniversary of January 18, 2008 and (ii) the date which is three months prior to the final maturity date of the Notes or the anticipated repayment date (November 9, 2010) of the CMBS Certificates, Series 2005-1, or any other refinancings of these instruments. At the termination date, each lender under the facility may, in its sole discretion and upon the request of SBASF, extend the maturity date of the facility for one additional year. The proceeds available under the facility may only be used for the construction or acquisition of towers and for ground lease buyouts.

The Senior Credit Agreement requires SBASF and SBA Communications to maintain specific financial ratios, including, at the SBASF level, a Consolidated Total Debt to Annualized Borrower EBITDA ratio (as defined in the Senior Credit Agreement) that does not exceed 6.9 for any fiscal quarter and an Annualized Borrower EBITDA to Annualized Cash Interest Expense ratio (as defined in the Senior Credit Agreement) of not less than 2.0 for any fiscal quarter. In addition, SBA Communications' ratio of Consolidated Total Net Debt to Consolidated Adjusted EBITDA (as defined in the Senior Credit Agreement) for any fiscal quarter cannot exceed 9.9. The Senior Credit Agreement also contains customary affirmative and negative covenants that, among other things, limit SBASF's ability to incur indebtedness, grant certain liens, make certain investments, enter into sale leaseback transactions or merge or consolidate, or engage in certain asset dispositions, including a sale of all or substantially all of our assets.

Upon the occurrence of certain bankruptcy and insolvency events with respect to SBA Communications or certain of our subsidiaries, the revolving credit loans automatically terminate and all amounts due under the Senior

Credit Agreement and certain other loan documents become immediately due and payable. If certain other events of default occur and are continuing, including failure to pay the principal and interest when due or failure to perform under any other agreement in the Senior Credit Agreement, the Guarantee and Collateral Agreement (as described below) and certain other debt instruments, including the Notes and the CMBS Certificates, with the permission of certain lenders, the revolving credit loans will terminate and all amounts due under the Senior Credit Agreement and certain other loan documents become immediately due and payable.

In connection with the senior secured revolving credit facility, SBA Communications entered into a Guarantee and Collateral Agreement, pursuant to which SBA Communications, Telecommunications and the subsidiary guarantors named therein guaranteed amounts owed under the senior secured revolving credit facility. Amounts borrowed under the senior secured revolving credit facility will be secured by a first lien on substantially all of SBA Communications', Telecommunications' and SBASF's assets not previously pledged under CMBS Certificates and substantially all of the subsidiary guarantors' assets.

Inflation

The impact of inflation on our operations has not been significant to date. However, we cannot assure you that a high rate of inflation in the future will not adversely affect our operating results particularly in light of the fact that our site leasing revenues are governed by long-term contracts with pre-determined pricing that we will not be able to increase in response to increases in inflation.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the Financial Accounting Standard Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 141(R), *"Business Combinations"* ("SFAS No. 141(R)") which requires the acquiring entity in a business combination to record all assets acquired and liabilities assumed at their respective acquisition-date fair values and changes other practices under SFAS No. 141, some of which could have a material impact on how we account for business combinations. These changes include, among other things, expensing acquisition costs as incurred as a component of selling, general and administrative expense. We presently capitalize these acquisition costs. SFAS No. 141(R) also requires additional disclosure of information surrounding a business combination, such that users of the entity's financial statements can fully understand the nature and financial impact of business combinations. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008. We are currently evaluating what impact the adoption of SFAS No. 141 (R) will have on our consolidated financial condition, results of operations or cash flows.

In December 2007, FASB issued SFAS No. 160, *"Non-controlling Interests in Consolidated Financial Statements"* ("SFAS No. 160") which requires entities to report non-controlling (minority) interest in subsidiaries as equity in the consolidated financial statements. The adoption of SFAS No. 160 is not expected to have a material impact on our consolidated financial condition, results of operations or cash flows.

In February 2007, FASB issued Statement of Financial Accounting Standard ("SFAS") No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115,"* ("SFAS No. 159") which provides companies with an option to report selected financial assets and liabilities at their fair values. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with FASB's long-term measurement objectives for accounting for financial instruments. SFAS No. 159 is effective for us on January 1, 2008. The adoption of SFAS No. 159 is not expected to have a material impact on our consolidated financial conditions, results of operations or cash flows.

In September 2006, FASB issued SFAS No. 157, *"Fair Value Measurements,"* which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 except for certain non-financial assets and liabilities which is effective for fiscal years beginning after November 15, 2008. We are currently evaluating what impact, if any, the adoption of SFAS No. 157 will have on our consolidated financial condition, results of operations or cash flow.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The following table summarizes our scheduled contractual commitments as of December 31, 2007 (in thousands):

		Payment due by period			
Contractual Obligations	Total	Less than 1 Year	1–3 Years	3–5 Years	More than 5 Years
Long-term debt	$1,905,000	$ —	$ 755,000	$1,150,000	$ —
Interest payments[(1)]	338,182	93,459	184,039	60,684	—
Operating leases	1,051,414	46,745	92,149	131,789	780,731
Capital leases	847	265	492	90	—
Employment agreements	2,153	1,314	839	—	—
Total	$3,297,596	$141,783	$1,032,519	$1,342,563	$780,731

(1) Represents interest payments on the CMBS Certificates based on a weighted average coupon fixed interest rate of 5.9% and the Convertible Senior Notes interest rate of 0.375%.

OFF BALANCE SHEET ARRANGEMENTS

We are not involved in any off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks that are inherent in our financial instruments. These instruments arise from transactions entered into in the normal course of business. We attempt to limit our exposure to interest rate risk by only carrying long-term fixed rate debt at December 31, 2007.

The following table presents the future principal payment obligations and interest rates associated with our long-term debt instruments assuming our actual level of long-term indebtedness as of December 31, 2007:

(in thousands)	2008	2009	2010	2011	2012	Thereafter	Total	Fair Value
Long-term debt:								
Fixed rate CMBS Certificates[(1)]	$—	$—	$405,000	$1,150,000	$—	$—	$1,555,000	$1,519,854
0.375% Convertible								
Senior Notes	$—	$—	$350,000	$ —	$—	$—	$ 350,000	$ 393,313

(1) The anticipated repayment date is November 2010 for the $405,000 of Initial CMBS Certificates and November 2011 for the $1,150,000 of Additional CMBS Certificates.

Our current primary market risk exposure relates to (1) the impact of interest rate movements on our ability to refinance the CMBS Certificates at their expected repayment dates or at maturity at market rates, and (2) our ability to meet financial covenants. We manage the interest rate risk on our outstanding debt through our use of fixed rate debt. While we cannot predict or manage our ability to refinance existing debt or the impact interest rate movements will have on our existing debt, we continue to evaluate our financial position on an ongoing basis.

We also face market risk exposure associated with our investment in auction rate securities. The current conditions in the credit markets have resulted in an other-than-temporary impairment of these securities of $15.6 million as of December 31, 2007. Continued deterioration in the credit and equity markets, continued failed auctions or the lack of a developing secondary market may all potentially cause further impairment in the value of these securities or negatively impact our ability to liquidate these securities.

Our wholly-owned subsidiary, SBA Senior Finance obtained a three-year senior secured revolving credit facility of up to $285.0 million, based on compliance with certain financial ratios on January 18, 2008. Amounts borrowed under the facility will accrue interest at LIBOR plus a margin that ranges from 150 basis points to 300 basis points or at a Base Rate plus a margin that ranges from 50 basis points to 200 basis points, based on consolidated total debt to annualized SBA Senior Finance EBITDA ratio (excluding the impact from the borrowers under the mortgage loan underlying the CMBS Certificates). Consequently, in the future we will be subject to interest rate risk on those floating rate loans that are outstanding under the senior secured revolving credit facility.

SBA Communications Corporation and Subsidiaries
Consolidated Balance Sheets

(in thousands, except per share amounts)

December 31,	2007	2006
ASSETS		
Current assets:		
Cash and cash equivalents	$ 70,272	$ 46,148
Short-term investments	55,142	—
Restricted cash	37,601	34,403
Accounts receivable, net of allowance of $1,186 and $1,316 in 2007 and 2006, respectively	20,183	20,781
Costs and estimated earnings in excess of billings on uncompleted contracts	21,453	19,403
Prepaid and other current assets	8,561	6,872
Total current assets	213,212	127,607
Property and equipment, net	1,191,969	1,105,942
Intangible assets, net	868,999	724,872
Deferred financing fees, net	33,578	33,221
Other assets	76,565	54,650
Total assets	$ 2,384,323	$ 2,046,292
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,357	$ 9,746
Accrued expenses	20,964	17,600
Deferred revenue	37,557	24,665
Interest payable	3,499	4,056
Billings in excess of costs and estimated earnings on uncompleted contracts	1,195	1,055
Other current liabilities	1,598	1,232
Total current liabilities	76,170	58,354
Long-term liabilities:		
Long-term debt	1,905,000	1,555,000
Other long-term liabilities	65,762	47,017
Total long-term liabilities	1,970,762	1,602,017
Commitments and contingencies		
Shareholders' equity:		
Preferred stock—par value $.01, 30,000 shares authorized, none issued or outstanding	—	—
Common stock—Class A, par value $.01, 200,000 shares authorized, 108,380 and 105,672 shares issued and outstanding at December 31, 2007 and 2006, respectively	1,084	1,057
Additional paid-in capital	1,571,894	1,450,754
Accumulated deficit	(1,234,307)	(1,065,224)
Accumulated other comprehensive loss, net	(1,280)	(666)
Total shareholders' equity	337,391	385,921
Total liabilities and shareholders' equity	$ 2,384,323	$ 2,046,292

The accompanying notes are an integral part of these consolidated financial statements.

SBA Communications Corporation and Subsidiaries
Consolidated Statements of Operations

(in thousands, except per share amounts)

For the year ended December 31,	2007	2006	2005
Revenues:			
Site leasing	$ 321,818	$ 256,170	$161,277
Site development	86,383	94,932	98,714
Total revenues	408,201	351,102	259,991
Operating expenses:			
Cost of revenues (exclusive of depreciation, accretion and amortization shown below):			
Cost of site leasing	88,006	70,663	47,259
Cost of site development	75,347	85,923	92,693
Selling, general and administrative	45,569	42,277	28,178
Asset impairments and other (credits) charges	—	(357)	448
Depreciation, accretion and amortization	169,232	133,088	87,218
Total operating expenses	378,154	331,594	255,796
Operating income	30,047	19,508	4,195
Other income (expense):			
Interest income	10,182	3,814	2,096
Interest expense	(92,498)	(81,283)	(40,511)
Non-cash interest expense	—	(6,845)	(26,234)
Amortization of deferred financing fees	(8,534)	(11,584)	(2,850)
Loss from write-off of deferred financing fees and extinguishment of debt	(431)	(57,233)	(29,271)
Other	(15,777)	692	31
Total other expense	(107,058)	(152,439)	(96,739)
Loss before provision for income taxes	(77,011)	(132,931)	(92,544)
Provision for income taxes	(868)	(517)	(2,104)
Loss from continuing operations	(77,879)	(133,448)	(94,648)
Loss from discontinued operations, net of income taxes	—	—	(61)
Net loss	$ (77,879)	$(133,448)	$ (94,709)
Basic and diluted loss per common share amounts:			
Loss from continuing operations	$ (0.74)	$ (1.36)	$ (1.28)
Loss from discontinued operations	—	—	—
Net loss per common share	$ (0.74)	$ (1.36)	$ (1.28)
Basic and diluted weighted average number of common shares	104,743	98,193	73,823

The accompanying notes are an integral part of these consolidated financial statements.

SBA Communications Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity
For the Years Ended December 31, 2007, 2006 and 2005

(in thousands)

	Class A Common Stock Shares	Class A Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total	Comprehensive Loss
BALANCE, December 31, 2004	64,903	$ 649	$ 740,037	$ (829,357)	$ —	$ (88,671)	
Net loss	—	—	—	(94,709)	—	(94,709)	$ (94,709)
Amortization of deferred gain from settlement of derivative financial instrument, net	—	—	—	—	(314)	(314)	$(314)
Deferred gain from settlement of derivative financial instrument	—	—	—	—	14,774	14,774	14,774
Total comprehensive loss							$ (80,249)
Common stock issued in connection with acquisitions and earn-outs	1,665	17	18,329	—	—	18,346	
Non-cash compensation	—	—	462	—	—	462	
Common stock issued in connection with public offerings	18,000	180	226,677	—	—	226,857	
Common stock issued in connection with stock purchase/option plans	1,047	10	4,676	—	—	4,686	
BALANCE, December 31, 2005	85,615	856	990,181	(924,066)	14,460	81,431	
Cumulative effect of adoption of SAB 108	—	—	8,444	(7,710)	—	734	
Net loss	—	—	—	(133,448)		(133,448)	$(133,448)
Change in unfunded projected benefit obligation	—	—	—	—	80	80	
Amortization of deferred gain/loss from settlement of derivative financial instrument, net	—	—	—	—	(2,370)	(2,370)	(2,370)
Deferred loss from settlement of derivative financial instrument	—	—	—	—	(12,836)	(12,836)	(12,836)
Total comprehensive loss							$(148,654)
Common stock issued in connection with acquisitions and earn-outs	18,829	189	434,960	—	—	435,149	
Non-cash compensation	—	—	6,690	—	—	6,690	
Common stock issued in connection with stock purchase/option plans	1,228	12	10,479	—	—	10,491	
BALANCE, December 31, 2006	105,672	1,057	1,450,754	(1,065,224)	(666)	385,921	
Net loss	—	—	—	(77,879)	—	(77,879)	$ (77,879)
Change in unfunded projected benefit obligation	—	—	—	—	(49)	(49)	
Amortization of deferred gain/loss from settlement of derivative financial instruments, net	—	—	—	—	(565)	(565)	(565)
Total comprehensive loss							$ (78,444)
Common stock issued in connection with acquisitions and earn-outs	4,707	47	155,499	—	—	155,546	
Non-cash compensation	—	—	7,842	—	—	7,842	
Common stock issued in connection with stock purchase/option plans	1,236	12	7,738	—	—	7,750	
Purchase of convertible note hedges	—	—	(77,200)	—	—	(77,200)	
Proceeds from issuance of common stock warrants	—	—	27,261	—	—	27,261	
Repurchase and retirement of common stock	(3,235)	(32)	—	(91,204)	—	(91,236)	
BALANCE, December 31, 2007	**108,380**	**$1,084**	**$1,571,894**	**$ (1,234,307)**	**$ (1,280)**	**$ 337,391**	

The accompanying notes are an integral part of these consolidated financial statements.

SBA Communications Corporation and Subsidiaries
Consolidated Statements of Cash Flows

(in thousands)

For the year ended December 31,	2007	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	**$ (77,879)**	$ (133,448)	$ (94,709)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, accretion, and amortization	**169,232**	133,088	87,218
Deferred tax provision	**201**	47	—
Asset impairment and other (credits) charges	**—**	(357)	448
Write-down of investments	**15,558**	—	—
Loss (gain) on sale of assets	**397**	(244)	79
Non-cash compensation expense	**6,612**	5,410	462
Provision for doubtful accounts	**150**	100	(300)
Amortization of deferred financing fees and non-cash interest expense	**8,534**	18,429	29,084
Loss from write-off of deferred financing fees and extinguishment of debt	**431**	57,233	29,271
Amortization of deferred gain/loss on derivative financial instruments, net	**(565)**	(2,370)	(346)
Changes in operating assets and liabilities:			
Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts, net	**(1,183)**	3,301	(2,086)
Prepaid and other assets	**(18,319)**	(12,060)	(5,076)
Accounts payable and accrued expenses	**3,645**	(8,392)	756
Other liabilities	**16,120**	12,993	4,966
Net cash provided by operating activities	**122,934**	73,730	49,767
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of short-term investments	**(208,251)**	—	(34,628)
Sales and maturities of short-term investments	**137,551**	19,900	14,996
Capital expenditures	**(27,771)**	(28,969)	(19,648)
Acquisitions and related earn-outs	**(201,466)**	(81,089)	(61,326)
Payment for purchase of AAT Communications, net of cash acquired	**—**	(645,148)	—
Proceeds from sale of fixed assets	**131**	265	1,335
Payment of restricted cash relating to tower removal obligations	**(2,078)**	(3,312)	(12)
Net cash used in investing activities	**(301,884)**	(738,353)	(99,283)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of convertible senior notes, net of fees paid	**341,452**	—	—
Repurchase and retirement of common stock	**(91,236)**	—	—
Proceeds from issuance of common stock warrants	**27,261**	—	—
Purchase of convertible note hedges	**(77,200)**	—	—
Proceeds from employee stock purchase/stock option plans	**7,750**	10,491	4,686
Net increase in restricted cash relating to CMBS Certificates	**(4,564)**	(5,260)	(11,250)
Initial funding of restricted cash relating to CMBS Certificates	**—**	(7,494)	(6,687)
(Payment) proceeds relating to settlement of swap	**—**	(14,503)	14,774
Proceeds from CMBS Certificates, net of fees paid	**(389)**	1,126,235	393,328
Proceeds from bridge financing, net of fees paid	**—**	1,088,734	—
Repayment of bridge financing	**—**	(1,100,000)	—
Repurchase of 9¾% senior discount notes	**—**	(251,826)	(122,681)
Repurchase of 8½% senior notes	**—**	(181,451)	(94,938)

(continued)

For the year ended December 31,	2007	2006	2005
CASH FLOWS FROM FINANCING ACTIVITIES: (continued)			
Repayment of senior credit facility	—	—	(350,375)
Repayment of 10¼% senior notes	—	—	(52,590)
Proceeds from equity offering, net of fees paid	—	—	226,857
Borrowings under senior credit facility, net of fees paid	—	(89)	25,321
Payment of deferred financing fees relating to 8½% senior notes	—	—	(96)
Bank overdraft repayments	—	—	(526)
Net cash provided by financing activities	203,074	664,837	25,823
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,124	214	(23,693)
CASH AND CASH EQUIVALENTS:			
Beginning of period	46,148	45,934	69,627
End of period	$ 70,272	$ 46,148	$ 45,934
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	$ 93,868	$ 82,215	$ 40,744
Income taxes	$ 860	$ 1,158	$ 1,425
SUPPLEMENTAL CASH FLOW INFORMATION OF NON-CASH ACTIVITIES:			
Assets acquired through capital leases	$ 960	$ —	$ —
Class A common stock issued relating to acquisitions and earn-outs	$ 155,546	$ 435,857	$ 18,346

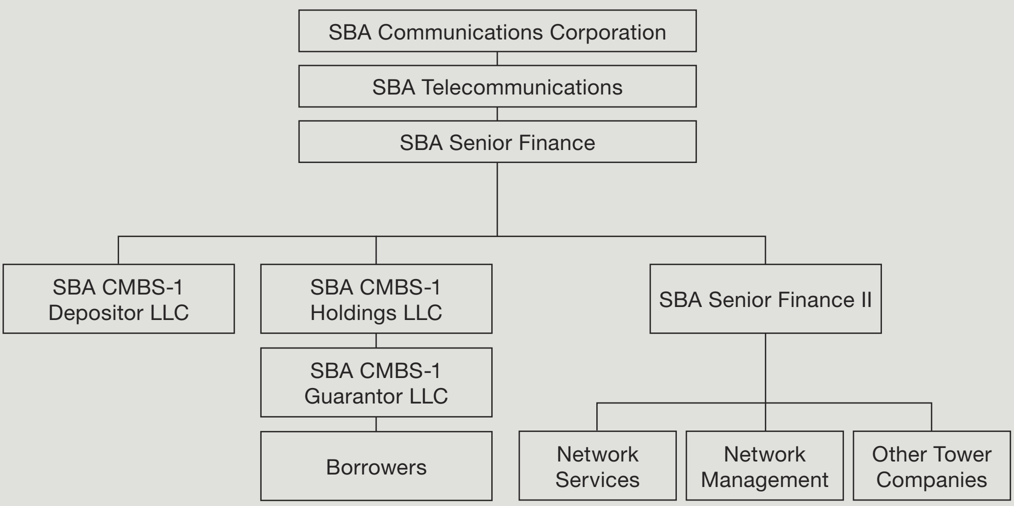
The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA Communications Corporation and Subsidiaries
Notes to Consolidated Financial Statements

1. GENERAL

SBA Communications Corporation (the "Company" or "SBA") was incorporated in the State of Florida in March 1997. The Company is a holding company that holds all of the outstanding capital stock of SBA Telecommunications, Inc. ("Telecommunications"). Telecommunications is a holding company that holds all of the capital stock of SBA Senior Finance, Inc. ("SBA Senior Finance"). SBA Senior Finance is a holding company that holds, directly and indirectly, the equity interest in certain subsidiaries that issued the Commercial Mortgage Pass-Through Certificates, Series 2005-1 (the "Initial CMBS Certificates") and the Commercial Mortgage Pass-Through Certificates, Series 2006-1 (the "Additional CMBS Certificates") (collectively, the "CMBS Certificates") and certain subsidiaries that were not involved in the issuance of the CMBS Certificates. With respect to the subsidiaries involved in the issuance of the CMBS Certificates, SBA Senior Finance is the sole member of SBA CMBS-1 Holdings LLC and SBA CMBS-1 Depositor LLC. SBA CMBS-1 Holdings is the sole member of SBA CMBS-1 Guarantor LLC. SBA CMBS-1 Guarantor LLC holds all of the capital stock of SBA Properties, Inc. ("SBA Properties"), SBA Towers, Inc. ("SBA Towers"), SBA Puerto Rico, Inc. ("SBA Puerto Rico"), SBA Sites, Inc. ("SBA Sites"), SBA Towers USVI, Inc. ("SBA Towers USVI"), and SBA Structures, Inc. ("SBA Structures") (collectively known as the "Borrowers"). With respect to the subsidiaries not involved in the issuance of the CMBS Certificates, SBA Senior Finance holds all of the membership interests of SBA Senior Finance II LLC ("SBA Senior Finance II") and certain non-operational subsidiaries. SBA Senior Finance II holds, directly and indirectly, all the capital stock and/or membership interests of certain other tower companies ("Other Tower Companies") (collectively with the Borrowers known as "Tower Companies"). SBA Senior Finance II also holds, directly or indirectly, all the capital stock and/or membership interests of certain other subsidiaries involved in providing services, including SBA Network Services, Inc. ("Network Services"). SBA Senior Finance II also holds all the capital stock of SBA Network Management, Inc. ("Network Management") which manages and administers the operations of the Borrowers.

The table below outlines the legal structure of the Company at December 31, 2007:



The Tower Companies own and operate wireless communications towers in 47 of the 48 contiguous United States, Puerto Rico and the U.S. Virgin Islands. Space on these towers is leased primarily to wireless service providers. As of December 31, 2007, the Company owns 6,220 tower sites.

Network Services provides comprehensive turnkey services for the telecommunications industry in the areas of site development services for wireless carriers and the construction and repair of transmission towers. Site development consulting services provided by Network Services include (1) network pre-design; (2) site audits; (3) identification of potential locations for towers and antennas; (4) support in buying or leasing of the location; and (5) assistance in obtaining zoning approvals and permits. Site construction services of our site development business provides a number of services, including, but not limited to the following: (1) tower and related site construction; (2) antenna installation; and (3) radio equipment installation, commissioning and maintenance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements is as follows:

a. Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

b. Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The significant estimates made by management relate to the allowance for doubtful accounts, the costs and revenue relating to the Company's construction contracts, stock-based compensation, valuation allowance related to deferred tax assets, carrying value of long-lived assets, the useful lives of towers and intangible assets, anticipated property tax assessments, fair value of short-term investments and asset retirement obligations. Management develops estimates based on historical experience and on various assumptions about the future that are believed to be reasonable based on the information available. These estimates ultimately may differ from actual results and such differences could be material.

c. Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash in banks, money market funds, commercial paper and other marketable securities with an original maturity of three months or less at the time of purchase. These investments are carried at cost, which approximates fair value.

d. Short-Term Investments

Investment securities with original maturities of more than three months but less than one year at time of purchase are considered short-term investments. Short-term investments at December 31, 2007, consist of auction rate securities and are classified in current assets on the accompanying Consolidated Balance Sheets at fair value. Fair value is determined using quoted market prices for those securities when available. When quoted market prices are not available, the Company has estimated fair value based upon the best available market information at the Balance Sheet date. Temporary unrealized holding gains and losses are recorded, net of tax, as a separate component of accumulated other comprehensive income. Unrealized losses are charged against net earnings when a decline in fair value is determined to be other-than-temporary. In accordance with EITF 03-1, *"The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,"* and Staff Accounting Bulletin Topic 5M *"Other-Than-Temporary Impairment of Certain Investments in Debt and Equity Securities,"* the Company reviews several factors to determine whether a loss is other-than-temporary. These factors include but are not limited to: (1) the length of time a security is in an unrealized loss position, (2) the extent to which fair value is less than cost, (3) the financial condition and near term prospects of the issuer and (4) the Company's ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

e. Restricted Cash

The Company classifies all cash pledged as collateral to secure certain obligations and all cash whose use is limited as restricted cash. This includes cash held in escrow to fund certain reserve accounts relating to the CMBS Certificates, for payment and performance bonds, and surety bonds issued for the benefit of the Company in the ordinary course of business.

In connection with the issuance of the CMBS Certificates (as defined in Note 1), the Company is required to fund a restricted cash amount, which represents the cash held in escrow pursuant to the mortgage loan agreement governing the CMBS Certificates, to fund certain reserve accounts for the payment of debt service costs, ground rents, real estate and personal property taxes, insurance premiums related to tower sites, trustee and service expenses, and to reserve a portion of advance rents from tenants. Based on the terms of the CMBS Certificates, all rental cash receipts each month are restricted and held by the indenture trustee. The restricted cash held by the indenture trustee in excess of required reserve balances is subsequently released to the Borrowers (as defined in Note 1) on or before the 15th calendar day following month end. All monies held by the indenture trustee after the release date are classified as restricted cash in current assets on the Company's Consolidated Balance Sheets.

f. Property and Equipment

Property and equipment are recorded at cost or at estimated fair value (in the case of acquired properties), adjusted for asset impairment and estimated asset retirement obligations. Costs associated with the acquisition, development and construction of towers are capitalized as a cost of the towers. Costs for self-constructed towers include direct materials and labor, indirect costs and capitalized interest. Approximately $0.2 million and $0.4 million of interest cost were capitalized in 2007 and 2006, respectively.

Depreciation on towers and related components is provided using the straight-line method over the estimated useful lives, not to exceed the minimum lease term of the underlying ground lease. The Company defines the minimum lease term as the shorter of the period from lease inception through the end of the term of all tenant lease obligations in existence at ground lease inception, including renewal periods, or the ground lease term, including renewal periods. If no tenant lease obligation exists at the date of ground lease inception, the initial term of the ground lease is considered the minimum lease term. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement or the minimum lease term of the lease. All rental obligations due to be paid out over the minimum lease term, including fixed escalations are straight-lined evenly over the minimum lease term. For all other property and equipment, depreciation is provided using the straight-line method over the estimated useful lives.

The Company performs ongoing evaluations of the estimated useful lives of its property and equipment for depreciation purposes. The estimated useful lives are determined and continually evaluated based on the period over which services are expected to be rendered by the asset. If the useful lives of assets are reduced, depreciation may be accelerated in future years. Property and equipment under capital leases are amortized on a straight-line basis over the term of the lease or the remaining estimated life of the leased property, whichever is shorter, and the related amortization is included in depreciation expense. Expenditures for maintenance and repair are expensed as incurred.

Asset classes and related estimated useful lives are as follows:

Towers and related components	3–15 years
Furniture, equipment and vehicles	2–7 years
Buildings and improvements	5–10 years

Betterments, improvements and extraordinary repairs, which increase the value or extend the life of an asset are capitalized and depreciated over the remaining estimated useful life of the respective asset. Changes in an asset's estimated useful life are accounted for prospectively, with the book value of the asset at the time of the change being depreciated over the revised remaining useful life. There has been no material impact for changes in estimated useful lives for any years presented.

g. Deferred Financing Fees

Financing fees related to the issuance of debt have been deferred and are being amortized using the effective interest rate method over the expected length of related indebtedness.

h. Deferred Lease Costs

The Company defers certain initial direct costs associated with the origination of tenant leases and lease amendments and amortizes these costs over the initial lease term, generally five years, or over the lease term remaining if related to a lease amendment. Such costs deferred were approximately $3.6 million, $2.8 million, and $2.2 million in 2007, 2006, and 2005, respectively. Amortization expense was $2.5 million, $2.0 million, and $1.8 million for the years ended December 31, 2007, 2006 and 2005, respectively, and is included in cost of site leasing on the accompanying Consolidated Statements of Operations. As of December 31, 2007 and 2006, unamortized deferred lease costs were $6.6 million and $5.5 million, respectively, and are included in other assets on the accompanying Consolidated Balance Sheets.

i. Intangible Assets

The Company classifies as intangible assets the fair value of current leases in place at the acquisition date of towers and related assets (referred to as the "current contract intangibles"), and the fair value of future tenant leases anticipated to be added to the acquired towers (referred to as the "network location intangibles"). These intangibles are estimated to have an economic useful life consistent with the economic useful life of the related tower assets, which is typically 15 years. For all intangible assets, amortization is provided using the straight-line method over the estimated useful lives as the benefit associated with these intangible assets is anticipated to be derived evenly over the life of the asset.

j. Impairment of Long-Lived Assets

The Company evaluates individual long-lived assets, including the intangibles with finite lives, and the tower sites, for impairment in accordance with SFAS No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets."* The Company records an impairment charge when the Company believes an investment in towers or the intangible assets has been impaired, such that future undiscounted cash flows would not recover the then current carrying value of the investment in the tower site. Estimates and assumptions inherent in the impairment evaluation include, but are not limited to, general market and economic conditions, historical operating results, geographic location, lease-up potential and expected timing of lease-up. In addition, the Company makes certain assumptions in determining an asset's fair value less costs to sell for the purpose of calculating the amount of an impairment charge.

k. Fair Value of Financial Instruments

The carrying values of the Company's financial instruments, which primarily includes cash and cash equivalents, short-term investments, restricted cash, accounts receivable, and accounts payable, approximates fair value due to the short maturity of those instruments. Refer to Note 4 for a further discussion of fair value of short-term investments.

The following table reflects fair values as determined by quoted market prices and carrying values of these notes as of December 31, 2007 and 2006:

As of December 31,	2007		2006	
(in millions)	Fair Value	Carrying Value	Fair Value	Carrying Value
0.375% Convertible Senior Notes	**$ 393.3**	**$ 350.0**	$ —	$ —
Additional CMBS Certificates	**$1,115.4**	**$1,150.0**	$1,152.5	$1,150.0
Initial CMBS Certificates	**$ 404.5**	**$ 405.0**	$ 407.7	$ 405.0

l. Revenue Recognition and Accounts Receivable

Revenue from site leasing is recorded monthly and recognized on a straight-line basis over the current term of the related lease agreements, which are generally five years. Receivables recorded related to the straight-lining of site leases are reflected in other assets on the Consolidated Balance Sheets. Rental amounts received in advance are recorded as deferred revenue on the Consolidated Balance Sheets.

Site development projects in which the Company performs consulting services include contracts on a time and materials basis or a fixed price basis. Time and materials based contracts are billed at contractual rates as the services are rendered. For those site development contracts in which the Company performs work on a fixed price basis, site development billing (and revenue recognition) is based on the completion of agreed upon phases of the project on a per site basis. Upon the completion of each phase on a per site basis, the Company recognizes the revenue related to that phase. Site development projects generally take from 3 to 12 months to complete. Revenue from construction projects is recognized on the percentage-of-completion method of accounting, determined by the percentage of cost incurred to date compared to management's estimated total cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts. These amounts are based on estimates, and the uncertainty inherent in the estimates initially is reduced as work on the contracts nears completion. The asset "costs and estimated earnings in excess of billings on uncompleted contracts" represents expenses incurred and revenues recognized in excess of

SBA Communications Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)

amounts billed. The liability "billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined to be probable.

Cost of site leasing revenue includes ground lease rent, property taxes, maintenance (exclusive of employee related costs) and other tower operating expenses. Liabilities recorded related to the straight lining of ground leases are reflected in other long-term liabilities on the Consolidated Balance Sheets. Cost of site development revenue includes the cost of materials, salaries and labor costs, including payroll taxes, subcontract labor, vehicle expense and other costs directly and indirectly related to the projects. All costs related to site development projects are recognized as incurred.

The Company performs periodic credit evaluations of its customers. The Company continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon historical experience, specific customer collection issues identified and past due balances as determined based on contractual terms. Interest is charged on outstanding receivables from customers on a case by case basis in accordance with the terms of the respective contracts or agreements with those customers. Amounts determined to be uncollectible are written off against the allowance for doubtful accounts in the period in which uncollectability is determined to be probable.

The following is a rollforward of the allowance for doubtful accounts for the years ended December 31, 2007, 2006, and 2005:

For the year ended December 31, (in thousands)	2007	2006	2005
Beginning balance	$1,316	$1,136	$1,731
Allowance recorded relating to acquisition of AAT	(280)	1,000	—
Provision (credits) for doubtful accounts	150	100	(300)
Write-offs, net of recoveries	—	(920)	(295)
Ending balance	$1,186	$1,316	$1,136

m. Income Taxes

The Company had taxable losses during the years ended December 31, 2007, 2006 and 2005, and as a result, net operating loss carry-forwards have been generated. These net operating loss carry-forwards are fully reserved as management believes it is not "more-likely-than-not" that the Company will generate sufficient taxable income in future periods to recognize the losses.

In July 2006, FASB issued FASB Interpretation Number 48, *"Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109,"* ("FIN No. 48"). FIN No. 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. The Company must determine whether it is "more-likely-than-not" that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the more-likely-than-not recognition threshold, the position is measured to determine the amount of benefit to recognize in the financial statements. FIN No. 48 applies to all tax positions related to income taxes subject to FASB Statement No. 109, *"Accounting for Income Taxes"* ("FASB No. 109"). The interpretation does not relate to non income tax positions accounted for under FASB Statement No. 5, *"Accounting for Contingencies"* ("FASB No. 5"). FIN No. 48 is effective for fiscal years beginning after December 15, 2006. Any cumulative effect of applying the provisions of FIN No. 48 is required to be reported as an adjustment to the opening balance of retained earnings on January 1, 2007. Upon adopting the provisions of FIN No. 48 beginning in the first quarter of 2007, the Company determined that no such adjustment to its opening balance was required. During 2007, the Company did not identify any exposures under FIN No. 48 that required an adjustment. In the future, to the extent that the Company records unrecognized tax exposures in accordance with FIN No. 48, any related interest and penalties will be recognized as operating expenses in the Company's Consolidated Statements of Operations.

n. Stock-Based Compensation

Effective January 1, 2006, the Company adopted the provisions of SFAS No. 123R ("SFAS 123R"), *"Share-Based Payments,"* which requires the measurement and recognition of compensation expense for all share-based payment awards to employees and directors based on estimated fair values. SFAS 123R supersedes the Company's previous accounting methodology using the intrinsic value method under APB Opinion No. 25 ("APB 25"). The Company accounts for stock issued to non-employees in accordance with the provisions of Emerging Issues Task Force ("EITF") Issue No. 96-18, *"Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services."*

The Company adopted SFAS 123R using the modified prospective transition method. Under this transition method, compensation expense recognized during the year ended December 31, 2006 included: (a) compensation expense for all share-based awards granted prior to, but not yet vested, as of December 31, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123, and (b) compensation expense for all share-based awards granted subsequent to December 31, 2005, based on the grant date fair value estimated in accordance with the provisions of SFAS 123R. In accordance with the modified prospective transition method, the Company's Consolidated Financial Statements for prior periods have not been restated to reflect the impact of SFAS 123R.

On November 10, 2005, the FASB issued FASB Staff Position No. FAS 123R-3, *"Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards."* The Company has elected to adopt the alternative transition method provided in the FASB Staff Position for calculating the tax effects of share-based compensation pursuant to SFAS 123R. The alternative transition method includes simplified methods to establish the beginning balance of the additional paid-in capital pool ("APIC Pool") related to the tax effects of employee share-based compensation, and to determine the subsequent impact on the APIC Pool and consolidated statements of cash flows of the tax effects of employee and director share-based awards that are outstanding upon adoption of SFAS 123R.

o. Asset Retirement Obligations

In accordance with SFAS 143, *"Accounting for Asset Retirement Obligations,"* the Company recognizes asset retirement obligations in the period in which they are incurred, if a reasonable estimate of a fair value can be made, and accretes such liability through the obligation's estimated settlement date. The associated asset retirement costs are capitalized as part of the carrying amount of the related tower fixed assets, and over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the estimated useful life of the tower.

The Company has entered into ground leases for the land underlying the majority of the Company's towers. A majority of these leases require the Company to restore leaseholds to their original condition upon termination of the ground lease. SFAS 143 requires that the net present value of future restoration obligations be recorded as a liability as of the date the legal obligation arises and this amount be capitalized to the related operating asset. The asset retirement obligation at December 31, 2007 and December 31, 2006 was $2.9 million and $2.6 million, respectively, and is included in other long-term liabilities on the Consolidated Balance Sheets. Upon settlement of the obligations, any difference between the cost to retire an asset and the recorded liability is recorded in the Consolidated Statements of Operations as a gain or loss. In determining the impact of SFAS 143, the Company considered the nature and scope of the contractual restoration obligations contained in the Company's third party ground leases, the historical retirement experience as an indicator of future restoration probabilities, intent in renewing existing ground leases through lease termination dates, current and future value and timing of estimated restoration costs and the credit adjusted risk-free rate used to discount future obligations.

The following summarizes the activity of the asset retirement obligation liability:

For the year ended December 31, (in thousands)	2007	2006
Asset retirement obligation at January 1	**$2,632**	$ 942
AAT fair value of liability assumed	**—**	1,322
Additional liabilities accrued	**147**	223
Accretion expense	**164**	172
Revision in estimates	**(74)**	(27)
Ending balance	**$2,869**	$2,632

p. Loss Per Share

Basic and diluted loss per share is calculated in accordance with SFAS No. 128, "*Earnings per Share.*" The Company has potential common stock equivalents related to its outstanding stock options and Convertible Notes. These potential common stock equivalents were not included in diluted loss per share because the effect would have been anti-dilutive. Accordingly, basic and diluted loss per common share and the weighted average number of shares used in the computations are the same for all periods presented. There were 3.8 million, 4.2 million and 4.6 million options outstanding at December 31, 2007, 2006, and 2005, respectively. For the year ended December 31, 2007, the Company granted approximately 1.0 million options at exercise prices between $28.54 and $33.98 per share, which was the fair market value at the date of grant.

q. Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, and is comprised of net income (loss) and "other comprehensive income (loss)." Comprehensive loss is presented in the Consolidated Statements of Shareholders' Equity.

3. CURRENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the Financial Accounting Standard Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 141(R), *"Business Combinations"* ("SFAS No. 141(R)") which requires the acquiring entity in a business combination to record all assets acquired and liabilities assumed at their respective acquisition-date fair values and changes other practices under SFAS No. 141, some of which could have a material impact on how we account for business combinations. These changes include, among other things expensing acquisition costs as incurred as a component of selling, general and administrative expense. The Company presently capitalizes these acquisition costs. SFAS No. 141(R) also requires additional disclosure of information surrounding a business combination, such that users of the entity's financial statements can fully understand the nature and financial impact of a business combination. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008. The Company is currently evaluating what impact the adoption of SFAS No. 141 (R) will have on the Company's consolidated financial condition, results of operations or cash flows.

In December 2007, FASB issued SFAS No. 160, *"Non-controlling Interests in Consolidated Financial Statements"* ("SFAS No. 160") which requires entities to report non-controlling (minority) interest in subsidiaries as equity in the consolidated financial statements. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The adoption of SFAS No. 160 is not expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

In February 2007, the Financial Accounting Standard Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115,"* ("SFAS No. 159") which provides companies with an option to report selected financial assets and liabilities at their fair values. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with FASB's long-term measurement objectives for accounting for financial instruments. SFAS No. 159 will become effective for the Company on January 1, 2008. The adoption of SFAS No. 159 is not expected to have a material impact on the Company's consolidated financial conditions, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157 which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 except for certain non-financial assets and liabilities which is effective for fiscal years beginning after November 15, 2008. The Company is currently evaluating what impact, if any, the adoption of SFAS No. 157 will have on its consolidated financial condition, results of operations or cash flows.

4. SHORT-TERM INVESTMENTS

Auction rate securities are debt instruments with long-term scheduled maturities, but have interest rates that are typically reset at pre-determined intervals, usually every 7, 28, 35 or 90 days, at which time the securities can typically be purchased or sold, creating a liquid market. Due to an active secondary market for such investments, the rate reset for each instrument is an opportunity to accept the reset rate or sell the instrument at its face value in order to seek an alternative investment. In the past, the auction process has allowed investors to roll over their holdings or obtain immediate liquidity by selling the securities at par. The Company does not intend to hold these securities to maturity, but rather to use the interest rate reset feature to provide the opportunity to maximize returns while preserving liquidity. Due to the liquidity provided by the interest rate reset mechanism and the short-term nature of the investment in these securities, they have been classified as short-term investments in current assets on the Company's Consolidated Balance Sheet. As of December 31, 2007, the Company held auction rate securities with a par value of $70.7 million compared to none at December 31, 2006. Gross purchases and sales of these investments are presented within "Cash Flows from Investing Activities" on the Company's Consolidated Statements of Cash Flows.

Typically, the fair value of auction rate securities approximates par value due to the frequent resets through the auction rate process. In recent months, auctions associated with these securities have failed as a result of there not being any demand in the marketplace. As such, the Company had not been able to liquidate these securities at par as of December 31, 2007. Subsequent to December 31, 2007, the Company sold six of these securities, comprising $40.9 million of the Company's total par value, at par and executed a release of any potential claims related to the total portfolio. Based on this subsequent sale, these six securities are carried at par value at December 31, 2007. The Company currently holds three remaining auction rate securities with a par value of $29.8 million. As a result of the Company's assessment of a number of factors, including without limitation, market conditions and the credit quality of these three securities, the Company determined that the estimated fair value no longer approximates par value, although the Company continues to earn interest on the Company's current auction rate security investments at the maximum contractual rate. Accordingly, the Company recorded an other-than-temporary impairment charge of $15.6 million to reduce the value of these auction rate securities to their estimated fair value of $14.2 million. The Company estimated the fair value of these auction rate securities based on a subsequent sale of certain auction rate securities at par value and estimated values provided by the firm managing the Company's auction rate investments. Management validated the assumptions used in the valuation including the ultimate time horizon and coupon rate for these securities, the credit worthiness of the underlying assets and the counterparties, and the appropriate discount margins. Due to the lack of a secondary market for the Company's auction rate securities, the established fair value of these securities is a matter of judgment. If the Company's estimates regarding the fair value of these securities are incorrect, a future other-than-temporary impairment charge may be required. Additionally, these estimated fair values could change significantly based on future market conditions and as such, the Company may be required to record additional unrealized losses for impairment if the Company determines there are further declines in fair value.

The Company reviewed its impairments in accordance with EITF 03-1, *"The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,"* and Staff Accounting Bulletin Topic 5M, *"Other-Than-Temporary Impairment of Certain Investments in Debt and Equity Securities,"* to determine the classification of the impairment as "temporary" or "other-than-temporary." A temporary impairment charge results in an unrealized loss being recorded in the other comprehensive income component of shareholders' equity. This treatment is appropriate when a loss in an investment is determined to be temporary in nature and the Company has the ability to hold the investment until a recovery in market value takes place. Such an unrealized loss does not affect the results of operations for the applicable accounting period because the loss is not viewed as other-than-temporary. An impairment charge is recorded against earnings, to the extent the Company determines that there is a loss of fair value that is other-than-temporary. The Company determined that the entire impairment related to its auction rate securities was other-than-temporary and recorded an impairment charge in other income (expense) on its Consolidated Statements of Operations. The Company determined the other-than-temporary impairment classification based on a variety of factors, including the significant decline in fair value indicated for the individual investments and the adverse market conditions impacting auction rate securities. In addition, as of December 31, 2007, the Company intends to liquidate these securities within the next twelve months and does not believe that the current state of the credit markets requires the Company to reclassify them as long-term marketable securities on its Consolidated Balance Sheet.

5. RESTRICTED CASH

Restricted cash consists of the following:

As of December 31, (in thousands)	2007	2006	Included on Balance Sheet
CMBS Certificates	$35,254	$30,690	Restricted cash—current asset
Payment and performance bonds	2,347	3,713	Restricted cash—current asset
Surety bonds	15,873	13,696	Other assets—noncurrent
Restricted cash	$53,474	$48,099	

In connection with the issuance of the CMBS Certificates (as defined in Note 1), the Company is required to fund a restricted cash amount, which represents the cash held in escrow pursuant to the mortgage loan agreement governing the CMBS Certificates, to fund certain reserve accounts for the payment of debt service costs, ground rents, real estate and personal property taxes, insurance premiums related to tower sites, and trustee and servicing expenses, and to reserve a portion of advance rents from tenants. Based on the terms of the CMBS Certificates, all rental cash receipts each month are restricted and held by the indenture trustee. The restricted cash held by the indenture trustee in excess of required reserve balances is subsequently released to the Borrowers (as defined in Note 1) on or before the 15th calendar day following month end. All monies held by the indenture trustee after the release date are classified as restricted cash on the Company's Consolidated Balance Sheets.

Payment and performance bonds relate primarily to collateral requirements relating to tower construction currently in process by the Company. Cash is pledged as collateral related to surety bonds issued for the benefit of the Company or its affiliates in the ordinary course of business primarily related to the Company's tower removal obligations. In addition, at December 31, 2007 and 2006, the Company had pledged $2.2 million and $2.1 million, respectively, as collateral related to its workers compensation policy. These amounts are included in other assets—noncurrent on the Company's Consolidated Balance Sheets.

6. ACQUISITIONS

During 2007, the Company acquired 529 completed towers, related assets and liabilities from various sellers as well as the equity interest of three entities, whose assets consisted of approximately 83 towers and related assets and liabilities. The aggregate net consideration paid for these additional assets was $330.0 million, consisting of $166.3 million in cash (excluding $3.2 million of cash payments for working capital adjustments, and due diligence and other acquisition related costs) and approximately 4.7 million shares of Class A common stock valued at $163.7 million (excluding an offset of $8.2 million associated with negative working capital adjustments). The Company accounted for all of the above tower acquisitions at fair market value at the date of each acquisition. The results of operations of the acquired assets are included with those of the Company from the dates of the respective acquisitions. None of the individual acquisitions or aggregate acquisitions consummated were significant to the Company and accordingly, pro forma financial information has not been presented. Also, during 2007, the Company paid in cash $23.4 million for land and easement purchases in addition to $10.9 million spent for long-term lease extensions.

During 2006, the Company acquired 248 completed towers, 2 towers in process, and related assets from various sellers as well as the equity interest of three entities, whose assets consisted almost entirely of 91 towers and related assets. The aggregate net consideration paid was $110.3 million consisting of $66.7 million in cash (excluding $4.7 million of cash payments for working capital adjustments, due diligence and other acquisition related costs) and approximately 1.8 million shares of Class A common stock valued at $43.6 million (excluding an offset $0.8 million associated with negative working capital adjustments). Also, during 2006, the Company paid in cash $5.8 million for land and easement purchases in addition to $2.6 million spent for long-term lease extensions.

The Company also consummated the AAT acquisition on April 27, 2006. Pursuant to the AAT acquisition, the Company acquired 100 percent of the outstanding common stock of AAT Communications Corporation. AAT owned 1,850 tower sites in the United States. The Company paid cash of $634.0 million and issued 17,059,336 shares of the Company's Class A common stock, valued at $392.7 million based on the average market price of the Company's Class A common stock over the 5-trading-day period ended March 21, 2006. Unaudited pro forma consolidated results of operations for the Company for the year ended December 31, 2006, as if the AAT acquisition and the related financing transactions were completed as of January 1 of each of the respective years (in thousands, except per share amounts):

For the year ended December 31,	2006	2005
Revenues	$ 379,863	$ 342,441
Operating income (loss)	$ 14,710	$ (20,390)
Net loss	$(162,573)	$(153,967)
Basic and diluted net loss per common share	$ (1.57)	$ (1.69)

The pro forma amounts include the historical operating results of the Company and AAT with appropriate adjustments to give effect to (1) depreciation, amortization and accretion, (2) interest expense, (3) selling, general and administrative expense, and (4) certain conforming accounting policies of the Company. The pro forma amounts are not indicative of the operating results that would have occurred if the acquisition and related transactions had been completed at the beginning of the applicable periods presented and are not indicative of the operating results in future periods.

In accordance with the provisions of SFAS No. 141, "*Business Combinations,*" the Company continues to evaluate all acquisitions within one year after the applicable closing date of each transaction to determine whether any additional adjustments are needed to the allocation of the purchase price paid for the assets acquired and liabilities assumed by major balance sheet caption, as well as the separate recognition of intangible assets from goodwill if certain criteria are met. These intangible assets represent the value associated with current leases in place ("Current Contract Intangibles") at the acquisition date and future tenant leases anticipated to be added ("Network Location Intangibles") to the acquired towers and were calculated using the discounted values of the current or future expected cash flows. The intangible assets are estimated to have an economic useful life consistent with the economic useful life of the related tower assets, which is typically 15 years.

From time to time, the Company agrees to pay additional consideration for such acquisitions if the towers or businesses that are acquired meet or exceed certain performance targets in the 1-3 years after they have been acquired. As of December 31, 2007, the Company had an obligation to pay up to an additional $3.7 million in consideration if the performance targets contained in various acquisition agreements are met. These obligations are associated with new build and tower acquisition programs within the Company's site leasing segment. In certain acquisitions, the additional consideration may be paid in cash or shares of Class A common stock at the Company's option. The Company records such obligations as additional consideration when it becomes probable that the targets will be met.

For the years ended December 31, 2007 and 2006, certain earnings targets associated with the acquired towers were achieved, and therefore, the Company paid in cash $5.5 million and $2.1 million, respectively. In addition, for the year ended December 31, 2006, the Company issued approximately 13,000 shares of Class A common stock in settlement of contingent price amounts payable as a result of acquired towers exceeding certain performance

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targets. During the year ended December 31, 2007, the Company did not issue shares of Class A Common stock in settlement of contingent price amounts as a result of acquired towers exceeding certain performance targets.

7. INTANGIBLE ASSETS, NET

The following table provides the gross and net carrying amounts for each major class of intangible assets:

	As of December 31, 2007			As of December 31, 2006		
(in thousands)	Gross carrying amount	Accumulated amortization	Net book value	Gross carrying amount	Accumulated amortization	Net book value
Current contract intangibles	**$604,456**	**$(54,873)**	**$549,583**	$468,561	$(21,405)	$447,156
Network location intangibles	**353,279**	**(33,863)**	**319,416**	290,768	(13,052)	277,716
Intangible assets, net	**$957,735**	**$(88,736)**	**$868,999**	$759,329	$(34,457)	$724,872

All intangibles noted above are contained in the Company's site leasing segment. The Company amortizes its intangibles using the straight line method over fifteen years. Amortization expense relating to the intangible assets above was $54.3 million, $33.9 million and $1.9 million for the years ended December 31, 2007, 2006 and 2005, respectively. These amounts are subject to changes in estimates until the preliminary allocation of the purchase price is finalized for each acquisition.

Estimated amortization expense on the Company's current contract and network location intangibles is as follows:

For the year ended December 31,	(in thousands)
2008	$ 63,849
2009	63,849
2010	63,849
2011	63,849
2012	63,849
Thereafter	549,754
Total	$868,999

8. PROPERTY AND EQUIPMENT, NET

Property and Equipment, net (including assets held under capital leases) consists of the following:

As of December 31, (in thousands)	2007	2006
Towers and related components	**$1,741,662**	$1,571,340
Construction-in-process	**5,265**	4,555
Furniture, equipment and vehicles	**28,877**	27,391
Land, buildings and improvements	**64,925**	40,947
	1,840,729	1,644,233
Less: accumulated depreciation	**(648,760)**	(538,291)
Property and equipment, net	**$1,191,969**	$1,105,942

Construction-in-process represents costs incurred related to towers that are under development and will be used in the Company's operations.

Depreciation expense was $114.8 million, $99.0 million, and $85.3 million for the years ended December 31, 2007, 2006, and 2005, respectively. At December 31, 2007 and 2006, non-cash capital expenditures that are included in accounts payable and accrued expenses were $4.3 million and $2.6 million, respectively.

9. COSTS AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS ON UNCOMPLETED CONTRACTS

Costs and estimated earnings in excess of billings on uncompleted contracts consist of the following:

As of December 31, (in thousands)	2007	2006
Costs incurred on uncompleted contracts	$ 115,823	$ 104,157
Estimated earnings	23,175	18,771
Billings to date	(118,740)	(104,580)
	$ 20,258	$ 18,348

These amounts are included in the accompanying Consolidated Balance Sheets under the following captions:

As of December 31, (in thousands)	2007	2006
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 21,453	$ 19,403
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,195)	(1,055)
	$ 20,258	$ 18,348

At December 31, 2007, one significant customer comprised 66.6% of the costs and estimated earnings in excess of billings, net of billings in excess of cost, while at December 31, 2006, one significant customer comprised 69.3% of the costs and estimated earnings in excess of billings, net of billings in excess of costs.

10. CONCENTRATION OF CREDIT RISK

The Company's credit risks consist primarily of accounts receivable with national, regional and local wireless communications providers and federal and state government agencies. The Company performs periodic credit evaluations of its customers' financial condition and provides allowances for doubtful accounts, as required, based upon factors surrounding the credit risk of specific customers, historical trends and other information. The Company generally does not require collateral. The following is a list of significant customers and the percentage of total revenue derived from such customers.

Percentage of Total Revenue for the year ended December 31,	2007	2006	2005
Sprint	30.5%	27.6%	30.9%
AT&T	21.0%	21.4%	25.5%

The Company's site leasing, site development consulting and site development construction segments derive revenue from these customers. Client percentages of total revenue in each of the segments are as follows:

Percentage of Site Leasing Revenue for the year ended December 31,	2007	2006	2005
Sprint	26.5%	26.2%	30.7%
AT&T	25.6%	26.7%	28.0%
Verizon Wireless	10.0%	9.7%	10.1%

Percentage of Site Development Consulting Revenue for the year ended December 31,	2007	2006	2005
Sprint	59.7%	38.0%	1.9%
Verizon Wireless	17.4%	26.6%	32.4%
Bechtel Corporation*	0.8%	10.0%	23.3%
AT&T	—	6.8%	28.3%

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Percentage of Site Development Construction Revenue for the year ended December 31,	2007	2006	2005
Sprint	**39.8%**	30.0%	36.0%
AT&T	**5.6%**	6.9%	20.3%
Bechtel Corporation*	**5.3%**	17.4%	11.6%

*Substantially all the work performed for Bechtel Corporation was for its client AT&T.

One significant customer comprised 42.9% and 41.2% of total gross accounts receivable at December 31, 2007 and December 31, 2006, respectively.

11. ACCRUED EXPENSES

The Company's accrued expenses are comprised of the following:

As of December 31, (in thousands)	2007	2006
Salaries and benefits	**$ 4,401**	$ 3,418
Real estate and property taxes	**6,820**	6,648
Other	**9,743**	7,534
Accrued expenses	**$20,964**	$17,600

12. DEBT

Debt consists of the following:

As of December 31, (in thousands)	2007	2006
Commercial mortgage pass-through certificates, series 2005-1, secured, interest payable monthly in arrears, balloon payment principal of $405,000 with an anticipated repayment date of November 15, 2010. Interest at fixed rates ranging from 5.369% to 6.706%.	**$ 405,000**	$ 405,000
Commercial mortgage pass-through certificates, series 2006-1, secured, interest payable monthly in arrears, balloon payment principal of $1,150,000 with an anticipated repayment date of November 15, 2011. Interest at fixed rates ranging from 5.314% to 7.825%.	**1,150,000**	1,150,000
Convertible senior notes, unsecured, interest payable June 1 and December 1, aggregate principal amount of $350,000, with a maturity date of December 1, 2010. Interest at 0.375%.	**350,000**	—
Senior revolving credit facility. Facility originated in December 2005. Terminated facility effective April 3, 2007. No amounts outstanding at December 31, 2006.	**—**	—
Total debt	**$1,905,000**	$1,555,000

The CMBS Certificates

Commercial Mortgage Pass-Through Certificates, Series 2005-1

On November 18, 2005, SBA CMBS-1 Depositor LLC (the "Depositor"), an indirect subsidiary of the Company, sold in a private transaction, $405.0 million of Initial CMBS Certificates, Series 2005-1 (the "Initial CMBS Certificates") issued by SBA CMBS Trust (the "Trust"), a trust established by the Depositor (the "Initial CMBS Transaction").

The sole assets of the Trust are a non-recourse mortgage loan in which SBA Properties was the initial borrower. The mortgage loan consists of multiple tranches, or components, each of which has terms that are identical to the subclass of CMBS Certificates to which it relates. SBA Properties and each of the Additional Borrowers (defined below) added to the mortgage loan in connection with the issuance of the Additional CMBS Certificates are special purpose vehicles which exist solely to hold the towers which are subject to the securitization.

The Initial CMBS Certificates consist of five classes, all of which are rated investment grade with a principal balance and pass-through interest rate, as indicated in the table below:

Subclass (in thousands)	Initial Subclass Principal Balance	Pass-through Interest Rate
2005-1A	$238,580	5.369%
2005-1B	48,320	5.565%
2005-1C	48,320	5.731%
2005-1D	48,320	6.219%
2005-1E	21,460	6.706%
Total	$405,000	5.608%

The contractual weighted average monthly fixed coupon interest rate of the Initial CMBS Certificates is 5.6% and the effective weighted average fixed interest rate is 4.8%, after giving effect to the settlement of two interest rate swap agreements entered into in contemplation of the transaction (see Note 13). The Initial CMBS Certificates have an expected life of five years with a final repayment date in 2035. The Company incurred deferred financing fees of $12.2 million associated with the closing of this transaction.

Commercial Mortgage Pass-Through Certificates, Series 2006-1

On November 6, 2006, the Depositor sold in a private transaction $1.15 billion of the Additional CMBS Certificates, Series 2006-1 (the “Additional CMBS Certificates” and collectively with the Initial CMBS Certificates referred to as the “CMBS Certificates”) issued by the Trust. The Additional CMBS Certificates consist of nine classes with a principal balance and pass-through interest rate for each class as indicated in the table below:

Subclass (in thousands)	Initial Subclass Principal Balance	Pass-through Interest Rate
2006-1A	$ 439,420	5.314%
2006-1B	106,680	5.451%
2006-1C	106,680	5.559%
2006-1D	106,680	5.852%
2006-1E	36,540	6.174%
2006-1F	81,000	6.709%
2006-1G	121,000	6.904%
2006-1H	81,000	7.389%
2006-1J	71,000	7.825%
Total	$1,150,000	5.993%

The contractual weighted average monthly fixed coupon interest rate of the Additional CMBS Certificates is 6.0%, and the effective weighted average fixed interest rate is 6.3% after giving effect to the settlement of the nine interest rate swap agreements entered into in contemplation of the transaction (see Note 13). The Additional CMBS Certificates have an expected life of five years with a final repayment date in 2036. The proceeds of the Additional CMBS Certificates were primarily used to repay the bridge loan incurred with the acquisition of AAT Communications Corporation and to fund required reserves and expenses associated with the Additional CMBS Transaction. The Company incurred deferred financing fees of $24.1 million associated with the closing of this transaction.

In connection with the issuance of the Additional CMBS Certificates, each of SBA Sites, Inc., SBA Structures, Inc., SBA Towers, Inc., SBA Puerto Rico, Inc. and SBA Towers USVI, Inc. (the “Additional Borrowers” and together with the Initial Borrower the “Borrowers”) were added as additional borrowers under the mortgage loan and the principal amount of the mortgage loan was increased by $1.15 billion to an aggregate of $1.56 billion. The Borrowers are jointly and severally liable under the mortgage loan. The mortgage loan is to be paid from the operating cash flows from the aggregate 4,975 towers owned by the Borrowers. Subject to certain limited exceptions described below, no payments of principal will be required to be made in relation to the components of the mortgage loan corresponding to the Initial CMBS Certificates prior to the monthly payment date in November 2010, which is the anticipated repayment date for the components of the mortgage loan corresponding to the

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Initial CMBS Certificates, and no payments of principal will be required to be made in relation to the components of the mortgage loan corresponding to the Additional CMBS Certificates prior to the monthly payment date in November 2011 which is the anticipated repayment date for the components of the mortgage loan corresponding to the Additional CMBS Certificates.

The Borrowers may not prepay the mortgage loan in whole or in part at any time prior to (1) November 2010 for the components of the mortgage loan corresponding to the Initial CMBS Certificates and (2) November 2011 for the components of the mortgage loan corresponding to the Additional CMBS Certificates, except in limited circumstances (such as the occurrence of certain casualty and condemnation events relating to the Borrowers' tower sites). Thereafter, prepayment is permitted provided it is accompanied by any applicable prepayment consideration. If the prepayment occurs within nine months of the anticipated repayment date, no prepayment consideration is due. The entire unpaid principal balance of the mortgage loan components corresponding to the Initial CMBS Certificates will be due in November 2035 and those corresponding to the Additional CMBS Certificates will be due in November 2036. However, to the extent that the full amount of the mortgage loan component corresponding to the Initial CMBS Certificates or the amount of the mortgage loan component corresponding to the Additional CMBS Certificates are not fully repaid by their respective anticipated repayment dates, the interest rate of each component would increase by approximately 5% plus any difference between the contractual weighted average monthly fixed interest rate in effect at the time of issuance of the CMBS Certificates and the then current weighted average monthly fixed interest rate. The mortgage loan may be defeased in whole at any time.

The mortgage loan is secured by (1) mortgages, deeds of trust and deeds to secure debt on substantially all of the tower sites and their operating cash flows, (2) a security interest in substantially all of the Borrowers' personal property and fixtures and (3) the Borrowers' rights under the management agreement they entered into with SBA Network Management, Inc. ("SBA Network Management"), relating to the management of the Borrowers' tower sites by SBA Network Management pursuant to which SBA Network Management arranges for the payment of all operating expenses and the funding of all capital expenditures out of amounts on deposit in one or more operating accounts maintained on the Borrowers' behalf. For each calendar month, SBA Network Management is entitled to receive a management fee equal to 7.5% of the Borrowers' operating revenues for the immediately preceding calendar month. This management fee was reduced from 10% in connection with the issuance of the Additional CMBS Certificates.

In connection with the issuance of the CMBS Certificates, the Company is required to fund a restricted cash amount, which represents the cash held in escrow pursuant to the mortgage loan governing the CMBS Certificates to fund certain reserve accounts for the payment of debt service costs, ground rents, real estate and personal property taxes, insurance premiums related to tower sites, trustee and service expenses, and to reserve a portion of advance rents from tenants on the 4,975 tower sites. Based on the terms of the CMBS Certificates, all rental cash receipts each month are restricted and held by the indenture trustee. The monies held by the indenture trustee are classified as restricted cash on the Company's Consolidated Balance Sheets (see Note 5). The monies held by the indenture trustee in excess of required reserve balances are subsequently released to the Borrowers on or before the 15th calendar day following month end. However, if the debt service coverage ratio, defined as the net cash flow (as defined in the Mortgage Loan Agreement) divided by the amount of interest on the mortgage loan, servicing fees and trustee fees that the Borrowers will be required to pay over the succeeding twelve months, as of the end of any calendar quarter, falls to 1.30 times or lower, then all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as excess cash flow, will be deposited into a reserve account instead of being released to the Borrowers. The funds in the reserve account will not be released to the Borrowers unless the debt service coverage ratio exceeds 1.30 times for two consecutive calendar quarters. If the debt service coverage ratio falls below 1.15 times as of the end of any calendar quarter, then an "amortization period" will commence and all funds on deposit in the reserve account will be applied to prepay the mortgage loan until such time that the debt service coverage ratio exceeds 1.15 times for a calendar quarter. Otherwise, on a monthly basis, the excess cash flow of the Borrowers held by the trustee after payment of principal, interest, reserves and expenses is distributed to the Borrowers. As of December 31, 2007, we met the required debt service coverage ratio as defined by the mortgage loan agreement.

0.375% Convertible Senior Notes due 2010

On March 26, 2007, the Company issued $350.0 million of its 0.375% Convertible Senior Notes (the "Notes"). Interest is payable semi-annually on June 1 and December 1, beginning June 1, 2007. The Notes have a maturity date of December 1, 2010. The Company incurred deferred financing fees of $8.6 million with the issuance of the Notes.

The Notes are convertible, at the holder's option, into shares of our Class A common stock, at an initial conversion rate of 29.7992 shares per $1,000 principal amount of Notes (subject to certain customary adjustments), which is equivalent to an initial conversion price of approximately $33.56 per share or a 19% conversion premium based on the last reported sale price of $28.20 per share of Class A common stock on the Nasdaq Global Select Market on March 20, 2007. The Notes are convertible only under the following certain circumstances: (1) during any calendar quarter commencing at any time after June 30, 2007 and only during such calendar quarter, if the last reported sale price of the Company's Class A common stock for at least 20 trading days in the 30 consecutive trading day period ending on the last trading day of the preceding calendar quarter is more than 130% of the applicable conversion price per share of Class A common stock on the last day of such preceding calendar quarter, (2) during the five business day period after any ten consecutive trading day period in which the trading price of a Note for each day in the measurement period was less than 95% of the product of the last reported sale price of Class A common stock and the applicable conversion rate, (3) if specified distributions to holders of Class A common stock are made or specified corporate transactions occur, and (4) at any time on or after October 12, 2010.

Upon conversion, the Company has the right to settle the conversion of each $1,000 principal amount of Notes with either of the three following alternatives, at its option, delivery of (1) 29.7992 shares of the Company's Class A common stock, (2) cash equal to the value of 29.7992 shares of the Company's Class A common stock calculated at the market price per share of the Company's Class A common stock at the time of conversion or (3) a combination of cash and shares of our Class A common stock.

The net proceeds from this offering were approximately $341.4 million after deducting discounts, commissions and expenses. A portion of the net proceeds from the sale of the Notes was used to repurchase approximately 3.24 million shares of Class A common stock, valued at approximately $91.2 million based on the closing stock price of $28.20 on March 20, 2007, the purchase agreement date. These repurchased shares were immediately retired by the Company. The repurchased shares were recorded as a reduction to Class A common stock for the par value of the Class A common stock as well as an increase to accumulated deficit on the Company's Consolidated Balance Sheet.

Concurrently with the sale of the Notes, the Company entered into convertible note hedge transactions with affiliates of two of the initial purchasers of the Notes. The initial strike price of the convertible note hedge transactions is $33.56 per share of the Company's Class A common stock (the same as the initial conversion price of the Notes) and is similarly subject to certain customary adjustments. The convertible note hedge transactions cover 10,429,720 shares of Class A common stock. The cost of the convertible note hedge transactions was $77.2 million. A portion of the net proceeds from the sale of the Notes and the sold warrants discussed below, were used to pay for the cost of the convertible note hedge transactions. The cost of the convertible note hedge transactions was recorded as a reduction to additional paid-in capital on the Company's Consolidated Balance Sheet.

Separately and concurrently with entering into the convertible note hedge transactions, the Company entered into sold warrant transactions whereby the Company sold warrants to each of the hedge counterparties to acquire 10,429,720 shares of Class A common stock at an initial exercise price of $55.00 per share. The aggregate proceeds from the issuance of the sold warrants were $27.3 million. The proceeds for the issuance of the sold warrants were recorded as an increase to additional paid-in capital on the Company's Consolidated Balance Sheet.

Senior Revolving Credit Facility

On December 21, 2005, SBA Senior Finance II LLC, a subsidiary of the Company, closed on a second senior revolving credit facility in the amount of $160.0 million. Amounts borrowed under this facility were secured by a first lien on substantially all of SBA Senior Finance II's assets and were guaranteed by the Company and certain of its other subsidiaries. This facility replaced the prior facility which was assigned and became the mortgage loan

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underlying the Initial CMBS Certificates' issuance. The Company incurred deferred financing fees of $1.2 million associated with the closing of this transaction.

On March 29, 2007, the Company provided the lenders with a termination notice with respect to the senior revolving credit facility. In accordance with the terms of the credit agreement, the senior revolving credit facility terminated April 3, 2007. The Company had no borrowings under the senior revolving credit facility at the time of its termination. No early termination penalties were incurred by the Company as a result of the termination. The Company has requested that the administrative agent take such actions required to release its security interest in all collateral, and to release all guarantee obligations. The Company recorded a $0.4 million loss from write-off of deferred financing fees in connection with the termination of the senior revolving credit facility.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Additional CMBS Certificate Swaps

At various dates during 2006, a subsidiary of the Company entered into nine forward-starting interest rate swap agreements (the "Additional CMBS Certificate Swaps"), with an aggregate notional principal amount of $1.0 billion, to hedge the variability of future interest rates in anticipation of the issuance of debt, which the Company originally expected to be issued on or before December 21, 2007 by a subsidiary of the Company. Under the Additional CMBS Certificate Swaps, the subsidiary had agreed to pay a fixed interest rate ranging from 5.019% to 5.47% on the total notional amount of $1.0 billion, beginning on the originally expected debt issuance dates for a period of five years, in exchange for receiving floating payments based on the three month LIBOR on the same $1.0 billion notional amount for the same five year period.

On November 6, 2006, a subsidiary of the Company entered into a purchase agreement with JP Morgan Securities, Inc., Lehman Brothers Inc. and Deutsche Bank Securities Inc. regarding the Additional CMBS Transaction. In connection with this agreement, the Company terminated the Additional CMBS Certificate Swaps, resulting in a $14.5 million settlement payment by the Company which was recorded in the 2006 Statement of Cash Flows as a financing activity. The Company determined a portion of the swaps to be ineffective, and as a result, the Company recorded $1.7 million as interest expense on the Consolidated Statements of Operations during 2006. The additional deferred loss of $12.8 million is being amortized utilizing the effective interest method over the anticipated five year life of the Additional CMBS Certificates and will increase the effective interest rate on these certificates by 0.3% over the weighted average fixed interest rate of 6.0%. The unamortized value of the net deferred loss is recorded in accumulated other comprehensive loss, net on the Company's Consolidated Balance Sheets. For 2007 and 2006, amortization of $2.3 million and $0.3 million, respectively, was recorded as interest expense.

Initial CMBS Certificates Swaps

On June 22, 2005, in anticipation of the Initial CMBS Transaction (see Note 12), the Company entered into two forward-starting interest rate swap agreements (the "Initial CMBS Certificate Swaps"), each with a notional principal amount of $200.0 million to hedge the variability of future interest rates on the Initial CMBS Transaction. Under the swap agreements, the Company agreed to pay the counterparties a fixed interest rate of 4.199% on the total notional amount of $400.0 million, beginning on December 22, 2005 through December 22, 2010 in exchange for receiving floating payments based on the three-month LIBOR on the same notional amount for the same five-year period. The Company determined the Initial CMBS Certificate Swaps to be effective cash flow hedges and recorded the fair value of the Initial CMBS Certificate Swaps in accumulated other comprehensive loss, net of applicable income taxes.

On November 4, 2005, two of the Company's subsidiaries entered into a purchase agreement with Lehman Brothers Inc. and Deutsche Bank Securities Inc. regarding the purchase and sale of $405.0 million of commercial mortgage pass-through certificates issued by the Trust, a trust established by the Depositor. In connection with this agreement, the Company terminated the Initial CMBS Certificate Swaps, resulting in a $14.8 million settlement payment to the Company which was recorded in the 2005 Statement of Cash Flows as a financing activity. The settlement payment will be amortized into interest expense on the Company's Consolidated Statements of Operations utilizing the effective interest method over the anticipated five year life of the Initial CMBS Certificates and will reduce the effective interest rate on the Certificates by 0.8%. The unamortized value of the net deferred gain is recorded in accumulated other comprehensive loss, net on the Company's Consolidated Balance Sheets. For 2007, 2006 and 2005, amortization of $2.8 million, $2.7 million and $0.3 million, respectively, was recorded as an offset to interest expense.

Fair Value Hedge

The Company previously had an interest rate swap agreement to manage its exposure to interest rate movements by effectively converting a portion of its fixed rate 10¼% senior notes to variable rates. The swap qualified as a fair value hedge. The notional principal amount of the swap was $100.0 million and the maturity date and payment provisions matched that of the underlying senior notes.

The counter-party to the interest rate swap agreement terminated the swap agreement in October 2002. In connection with this termination, the counter-party paid the Company $6.2 million, which included approximately $0.8 million in accrued interest. The remaining approximately $5.4 million received was deferred and recognized as a reduction to interest expense over the remaining term of the senior notes using the effective interest method. Amortization of the deferred gain during 2004 was approximately $0.7 million. Additionally, $1.9 million of the deferred gain was recognized as a reduction in loss from write-off of deferred financing fees and extinguishment of debt in connection with the repurchase of $186.5 million of 10¼% senior notes in December 2004. The balance of $1.9 million outstanding at December 31, 2004 was written off in connection with the repayment of the 10¼% senior notes in February 2005 and is included as a reduction in loss from write-off of deferred financing fees and extinguishment of debt in the Company's 2005 Consolidated Statement of Operations.

14. SHAREHOLDERS' EQUITY

a. Common Stock

The Company has potential common stock equivalents related to its outstanding stock options and Convertible Senior Notes (see Note 12). These potential common stock equivalents were not included in diluted loss per share because the effect would have been anti-dilutive. Accordingly, basic and diluted loss per common share and the weighted average number of shares used in the computation are the same for the years presented.

On March 19, 2007, the Board of Directors authorized the repurchase of up to 6.0 million shares of Class A common stock from time to time until December 31, 2007. During 2007, the Company purchased and retired approximately 3.24 million shares in connection with the issuance of the Notes (see Note 12).

In July 2000, the Company filed a universal shelf registration statement on Form S-3 with the Securities and Exchange Commission registering the sale of up to $500.0 million of any combination of Class A common stock, preferred stock, debt securities, depository shares, or warrants. On May 11, 2005, the Company issued 8.0 million shares of Class A common stock. The net proceeds were $75.4 million after deducting underwriters' fees and offering expenses, and were used to redeem an accreted balance of $68.9 million of the 9¾% senior discount notes.

On October 5, 2005, the Company issued 10.0 million shares of Class A common stock. The net proceeds were $151.4 million after deducting underwriters' fees and offering expenses, and were used to redeem $130.4 million of the Company's 9¾% senior discount notes and 8½% senior notes.

During the years ended December 31, 2007 and December 31, 2006, respectively, the Company did not issue any securities under this shelf registration. At December 31, 2007, the Company can issue up to $21.4 million of securities under the universal shelf registration statement.

b. Registration of Additional Shares

During 2007, the Company filed a shelf registration statement on Form S-4 with the Securities and Exchange Commission registering an aggregate 4.0 million shares of its Class A common stock. These 4.0 million shares are in addition to 4.0 million, 5.0 million and 3.0 million shares registered during 2006, 2001 and 2000, respectively. These shares may be issued in connection with acquisitions of wireless communication towers or companies that provide related services. During the years ended December 31, 2007, 2006 and 2005, the Company issued 4.7 million shares, 1.8 million shares and 1.7 million shares, respectively, of its Class A common stock pursuant to

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these registration statements in connection with acquisitions. At December 31, 2007, 3.8 million shares remain available for issuance under this shelf registration.

On November 27, 2006, the Company filed a registration statement on Form S-8 with the Securities and Exchange Commission registering an additional 2.5 million shares of its Class A common stock issuable under the 2001 Equity Participation Plan.

On April 14, 2006, the Company filed with the Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR. This registration statement enables the Company to issue shares of its Class A common stock, shares of preferred stock, which may be represented by depositary shares, unsecured senior, senior subordinated or subordinated debt securities; and warrants to purchase any of these securities. Under the rules governing the automatic shelf registration statements, the Company will file a prospectus supplement and advise the Commission of the amount and type of securities each time the Company issues securities under this registration statement. During the year ended December 31, 2007, the Company did not issue any securities under this shelf registration statement.

On May 17, 2007, the Company filed with the Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR. This registration statement enables the Company to issue shares of its Class A common stock, shares of preferred stock, which may be represented by depositary shares, unsecured senior, senior subordinated or subordinated debt securities; and warrants to purchase any of these securities. Under the rules governing the automatic shelf registration statements, the Company will file a prospectus supplement and advise the Commission of the amount and type of securities each time the Company issues securities under this registration statement. During the year ended December 31, 2007, the Company did not issue any securities under this shelf registration statement.

c. Other Common Stock Transactions

During 2006, in connection with the AAT acquisition the Company issued 17,059,336 shares of its Class A common stock.

d. Shareholder Rights Plan and Preferred Stock

During January 2002, the Company's Board of Directors adopted a shareholder rights plan and declared a dividend of one preferred stock purchase right for each outstanding share of the Company's common stock. Each of these rights which are currently not exercisable will entitle the holder to purchase one one-thousandth (1/1000) of a share of the Company's newly designated Series E Junior Participating Preferred Stock. In the event that any person or group acquires beneficial ownership of 15% or more of the outstanding shares of the Company's common stock or commences or announces an intention to commence a tender offer that would result in such person or group owning 15% or more of the Company's common stock, each holder of a right (other than the acquirer) will be entitled to receive, upon payment of the exercise price, a number of shares of common stock having a market value equal to two times the exercise price of the right. In order to retain flexibility and the ability to maximize shareholder value in the event of transactions that may arise in the future, the Board retains the power to redeem the rights for a set amount. The rights were distributed on January 25, 2002 and expire on January 10, 2012, unless earlier redeemed or exchanged or terminated in accordance with the Rights Agreement.

15. STOCK BASED COMPENSATION

Effective January 1, 2006, the Company adopted SFAS No. 123R using the modified prospective transition method. Under this transition method, compensation expense recognized during the year ended December 31, 2006 included (a) compensation expense for all share-based awards granted prior to, but not yet vested, as of December 31, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, and (b) compensation expense for all share-based awards granted subsequent to December 31, 2005, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123R. In accordance with the modified prospective transition method, the Company's consolidated financial statements for prior periods have not been restated to reflect the impact of SFAS No. 123R. The Company accounts for stock issued to non-employees in accordance with the provisions of Emerging Issues Task Force ("EITF") Issue No. 96-18, *"Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services."* In accordance with EITF 96-18, the stock options granted to non-employees are valued using the Black-Scholes option-pricing model on the basis of the market price of the underlying common stock on the "valuation date," which for options to non-employees is the vesting date. Expense related to the options granted to non-employees is recognized on a straight-line basis over the shorter of the period over which services are to be received or the vesting period.

In September 2006, the SEC issued Staff Accounting Bulletin ("SAB") 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 was issued to provide interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. SAB 108 requires the use of both the "iron curtain" and "rollover" approach in quantifying the materiality of misstatements. SAB 108 is effective for annual financial statements covering the first fiscal year ending after November 15, 2006. Early adoption of SAB 108 is permitted. The Company elected to adopt SAB 108 effective September 30, 2006. Upon initial application of SAB 108, the Company evaluated the uncorrected financial statement misstatements that were previously considered immaterial under the "rollover" method using the dual methodology required by SAB 108. As a result of this dual methodology approach of SAB 108, the Company corrected the cumulative error in its accounting for equity-based compensation for periods prior to January 1, 2006 in accordance with the transitional guidance in SAB 108.

Pursuant to SAB 108, the Company corrected a cumulative error in its accounting for equity-based compensation by recording a non-cash cumulative effect adjustment of $8.4 million to additional paid-in capital with an offsetting amount of $7.7 million to accumulated deficit within shareholders' equity as well as adjustments to property and equipment in the amount of $0.4 million and intangible assets of $0.3 million in its consolidated balance sheet as of December 31, 2006. The capitalized amounts relate to acquisition related costs.

Stock Options

The Company has three equity participation plans (the 1996 Stock Option Plan, the 1999 Equity Participation Plan and the 2001 Equity Participation Plan) whereby options (both non-qualified and incentive stock options), stock appreciation rights and restricted stock may be granted to directors, employees and consultants. Upon adoption of the 2001 Equity Participation Plan, no further grants are permitted under the 1996 Stock Option Plan and the 1999 Equity Participation Plan. The 2001 Equity Participation Plan provides for a maximum issuance of shares, together with all outstanding options and unvested shares of restricted stock under all three of the plans, equal to 15% of the Company's Class A common stock outstanding, adjusted for shares issued and the exercise of certain options. These options generally vest between three and four years from the date of grant on a straight-line basis and generally have a seven-year or a ten-year life.

From time to time, restricted shares of Class A common stock or options to purchase Class A common stock have been granted under the Company's equity participation plans at prices below market value at the time of grant. The Company recorded approximately $0.0 million, $0.4 million and $0.5 million of non-cash compensation expense during the years ended December 31, 2007, 2006 and 2005, respectively, relating to the issuance of these shares or options.

The Company records compensation expense for employee stock options based on the estimated fair value of the options on the date of grant using the Black-Scholes option-pricing model with the assumptions included in the table below. The Company uses a combination of historical data and implied volatility to establish the expected volatility. Historical data is used to estimate the expected option life and the expected forfeiture rate. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for the estimated life of the option. The following assumptions were used to estimate the fair value of options granted using the Black-Scholes option-pricing model:

For the year ended December 31,	**2007**	2006	2005
Risk free interest rate	**4.60%–5.12%**	4.2%–5.1%	3.8%–4.2%
Dividend yield	**0.0%**	0.0%	0.0%
Expected volatility	**42.7%**	43.7%–45%	45.0%
Expected lives	**3.28–4.13 years**	3.75 years	3.75 years

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A summary of shares reserved for future issuance under these plans as of December 31, 2007 is as follows:

	(number of shares in thousands)
Reserved for 1996 Stock Option Plan	**20**
Reserved for 1999 Equity Participation Plan	**120**
Reserved for 2001 Equity Participation Plan	**11,344**
Total	**11,484**

The following table summarizes the Company's activities with respect to its stock option plans for the years ended 2007, 2006 and 2005 as follows (dollars and number of shares in thousands, except for per share data):

Options	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)
Outstanding at December 31, 2004	4,421	$ 7.04	
Granted	1,345	$ 8.91	
Exercised	(978)	$ 4.04	
Canceled	(207)	$ 7.29	
Outstanding at December 31, 2005	4,581	$ 8.22	
Granted	1,126	$20.02	
Exercised	(1,181)	$ 8.07	
Canceled	(368)	$26.04	
Outstanding at December 31, 2006	4,158	$ 9.87	
Granted	1,028	$28.90	
Exercised	(1,196)	$ 5.63	
Canceled	(203)	$22.94	
Outstanding at December 31, 2007	**3,787**	**$15.67**	**7.2**
Exercisable at December 31, 2007	**1,241**	**$ 9.45**	**5.8**
Unvested at December 31, 2007	**2,546**	**$18.70**	**7.9**

The weighted average fair value of options granted during the years ended December 31, 2007, 2006 and 2005 was $11.04, $8.18 and $3.43, respectively. The total intrinsic value for options exercised during the years ended December 31, 2007, 2006 and 2005 was $30.6 million, $21.2 million and $10.2 million, respectively.

Cash received from option exercises under all plans for years ended December 31, 2007, 2006 and 2005 was approximately $6.7 million, $9.5 million and $3.9 million, respectively. No tax benefit was realized for the tax deductions from option exercises under all plans for the years ended December 31, 2007, 2006 and 2005, respectively.

Additional information regarding options outstanding and exercisable at December 31, 2007 is as follows:

	Options Outstanding			Options Exercisable		
Range	Outstanding (in thousands)	Weighted Average Contractual Life (in years)	Weighted Average Exercise Price	Exercisable (in thousands)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)
$ 0.05–$ 2.63	**193**	**4.6**	**$ 1.96**	**193**	**$ 1.96**	
$ 3.29–$ 9.69	**1,542**	**6.5**	**$ 6.82**	**674**	**$ 6.59**	
$10.67–$14.80	**90**	**6.0**	**$13.79**	**70**	**$13.50**	
$15.25–$24.75	**918**	**7.3**	**$18.74**	**258**	**$17.70**	
$26.14–$50.13	**1,044**	**6.3**	**$28.76**	**46**	**$30.66**	
	3,787			**1,241**		**$30,259**

The following table summarizes the activity of options outstanding that had not yet vested:

(in thousands, except for per share amounts)	Number of Shares	Weighted Average Fair Value Per Share	Aggregate Intrinsic Value
Unvested as of December 31, 2006	2,889	$ 5.00	
Shares granted	1,028	$11.04	
Vesting during period	(1,168)	$ 4.03	
Forfeited or cancelled	(203)	$ 8.89	
Unvested as of December 31, 2007	**2,546**	**$ 7.32**	**$38,536**

As of December 31, 2007, there were options to purchase 2.5 million shares of SBA common stock that had not yet vested and were expected to vest in future periods at a weighted average exercise price of $18.70. The aggregate intrinsic value for stock options in the preceding tables represents the total intrinsic value, based on the Company's closing stock price of $33.84 as of December 31, 2007. The amount represents the total intrinsic value that would have been received by the holders of the stock-based awards had these awards been exercised and sold as of that date.

As of December 31, 2007, the total unrecognized compensation cost related to unvested stock options outstanding under the Plans is $17.0 million. That cost is expected to be recognized over a weighted average period of 1.9 years.

The total fair value of shares vested during 2007, 2006, and 2005 was $4.7 million, $4.1 million, and $3.7 million, respectively.

Employee Stock Purchase Plan

In 1999, the Board of Directors of the Company adopted the 1999 Stock Purchase Plan (the "Purchase Plan"). A total of 500,000 shares of Class A common stock were reserved for purchase under the Purchase Plan. During 2003, an amendment to the Purchase Plan was adopted which increased the number of shares reserved for purchase from 500,000 to 1,500,000 shares. The Purchase Plan permits eligible employee participants to purchase Class A common stock at a price per share which is equal to 85% of the fair market value of Class A common stock on the last day of an offering period. For the year ended December 31, 2007, approximately 39,700 shares of Class A common stock were issued under the Purchase Plan, which resulted in cash proceeds to the Company of $1.0 million compared to the year ended December 31, 2006 when approximately 46,700 shares of Class A common stock were issued under the Purchase Plan, which resulted in cash proceeds to the Company of $1.0 million. At December 31, 2007, approximately 588,000 shares remain available which can be issued under the Purchase Plan. In addition, the Company recorded $0.2 million of non-cash compensation expense relating to these shares for each of the years ended December 31, 2007 and 2006, respectively.

Non-Cash Compensation Expense

The table below reflects a breakout by category of the amounts recognized on the Company's Statements of Operations for the years ended December 31, 2007 and 2006, respectively, for non-cash compensation expense (in thousands, except per share data):

For the year ended December 31,	2007	2006
Cost of revenues	$ 286	$ 151
Selling, general and administrative	6,326	5,259
Total cost of non-cash compensation included in loss before provision for income taxes	6,612	5,410
Amount of income tax recognized in earnings	—	—
Amount charged against loss	$6,612	$5,410
Impact on net loss per common share:		
Basic and diluted	$ (0.06)	$ (0.06)

In addition, the Company capitalized $1.2 million and $1.3 million relating to non-cash compensation for the years ended December 31, 2007 and December 31, 2006, respectively, to fixed and intangible assets.

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Pro Forma Non-Cash Compensation Expense

Prior to December 31, 2005, the Company accounted for non-cash compensation arrangements in accordance with the provisions and related interpretations of APB 25. Had compensation cost for share-based awards been determined consistent with SFAS No. 123R, the net income and earnings per share would have been adjusted to the following pro forma amounts (in thousands, except for per share data):

For the year ended December 31,	2005
Net loss, as reported	$(94,709)
Non-cash compensation charges included in net loss	462
Incremental stock-based compensation (expense determined under the fair value based method for all awards, net of related tax effects)	(4,247)
Pro forma net loss	$(98,494)
Loss per share:	
Basic and diluted—as reported	$ (1.28)
Basic and diluted—pro forma	$ (1.33)

16. ASSET IMPAIRMENT AND OTHER (CREDITS) CHARGES

During 2006, the Company reevaluated the remaining liability relating to its restructuring program initiated in 2002. The Company determined that the liability was no longer needed as all office space included in the restructuring liability is now being fully utilized by the Company in its operations. As a result, the Company recorded a credit of $0.4 million which is included in asset impairments and other (credits) charges on the Consolidated Statements of Operations for the year ended December 31, 2006.

During 2005, the Company reevaluated its future cash flow expectations on one tower that had not achieved expected lease up results. The resulting change in fair value of this tower, as determined using a discounted cash flow analysis, resulted in an impairment charge of $0.2 million. In addition, in the fourth quarter of 2005, the Company determined that the remaining microwave network equipment used in three microwave networks owned by the Company prior to 2006 had no residual value and recorded an additional charge of $0.2 million. These amounts are included in asset impairments and other (credits) charges on the Consolidated Statements of Operations for the year ended December 31, 2005.

17. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET

Accumulated other comprehensive loss, net has no impact on the Company's net loss but is reflected in the Consolidated Balance Sheets through adjustments to shareholders' equity. Accumulated other comprehensive loss, net derives from the amortization of deferred gain/loss from settlement of derivative financial instruments relating to the CMBS Certificates issuance and the unfunded projected benefit obligation relating to the Company's pension plan (see Note 22). The Company specifically identifies the amount of the amortization of deferred gain/loss from settlement of derivative financial instruments recognized in other comprehensive loss. A rollforward of accumulated other comprehensive loss, net for the years ended December 31, 2007, 2006 and 2005 is as follows:

(in thousands)	Deferred Gain/(Loss) from Settlement of Swaps	Change in Unfunded Projected Benefit Obligation	Total
Balance, December 31, 2004	$ —	$ —	$ —
Deferred gain from settlement of terminated swaps	14,774	—	14,774
Amortization of deferred gain from settlement of terminated swaps	(314)	—	(314)
Balance, December 31, 2005	14,460	—	14,460
Deferred loss from settlement of terminated swaps	(12,836)	—	(12,836)
Amortization of deferred gain/loss from settlement of terminated swaps, net	(2,370)	—	(2,370)
Change in unfunded projected benefit obligation	—	80	80
Balance, December 31, 2006	(746)	80	(666)
Amortization of deferred gain/loss from settlement of terminated swaps, net	(565)	—	(565)
Change in unfunded projected benefit obligation	—	(49)	(49)
Balance, December 31, 2007	**$ (1,311)**	**$ 31**	**$ (1,280)**

There is no net tax impact for the components of other comprehensive income (loss) due to the valuation allowance on the Company's deferred tax assets.

18. DISCONTINUED OPERATIONS

During the year ended December 31, 2005, the Company sold six towers held for sale at December 31, 2004. These six towers were sold in the first two quarters of 2005. Gross proceeds realized from the sale of towers during the year ended December 31, 2005 was $0.2 million. This sale resulted in a gain of approximately $0.1 million. This gain was offset by a loss of $0.2 million from operating results of the Company's discontinued Western site development services operations. These amounts are included in loss from discontinued operations, net of income taxes on the accompanying Consolidated Statements of Operations for the year ended December 31, 2005.

In addition, no interest expense has been allocated to discontinued operations for the year ended December 31, 2005.

19. INCOME TAXES

The provision (benefit) for income taxes from continuing operations consists of the following components:

For the year ended December 31,

(in thousands)	**2007**	2006	2005
Current provision for taxes:			
Federal income tax	**$ —**	$ —	$ —
State and local taxes	**667**	470	2,104
Total current	**667**	470	2,104
Deferred provision (benefit) for taxes:			
Federal income tax	**(25,406)**	(53,747)	(30,686)
State and local taxes	**(3,693)**	(13,827)	(3,259)
Foreign tax	**(4)**	—	—
Increase in valuation allowance	**29,304**	67,621	33,945
Total deferred	**201**	47	—
Total	**$ 868**	$ 517	$ 2,104

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A reconciliation of the provision (benefit) for income taxes from continuing operations at the statutory U.S. Federal tax rate (35%) and the effective income tax rate is as follows:

For the year ended December 31, (in thousands)	2007	2006	2005
Statutory Federal benefit	$(26,954)	$ (46,526)	$ (31,466)
Foreign tax	(4)	—	—
State and local taxes	(1,966)	(13,827)	(762)
Federal rate differential	—	(3,847)	—
Other	488	(2,904)	387
Valuation allowance	29,304	67,621	33,945
Total	$ 868	$ 517	$ 2,104

The components of the net deferred income tax asset (liability) accounts are as follows:

As of December 31, (in thousands)	2007	2006
Current deferred tax assets:		
Allowance for doubtful accounts	$ 434	$ 477
Deferred revenue	15,856	10,602
Accrued liabilities	1,193	4,040
Valuation allowance	(17,483)	(15,119)
Total current deferred tax assets, net	$ —	$ —
Noncurrent deferred tax assets:		
Net operating losses	$ 330,187	$ 354,459
Property, equipment & intangible basis differences	24,891	17,082
Accrued liabilities	7,456	3,421
Straight-line rents	5,933	6,440
Other	376	371
Total noncurrent deferred tax assets	$ 368,843	$ 381,773
Noncurrent deferred tax liabilities:		
Property, equipment & intangible basis differences	$(293,803)	$(282,377)
Early extinguishment of debt	(497)	(284)
Valuation allowance	(74,543)	(99,112)
Total noncurrent deferred tax assets, net	$ —	$ —

The Company has recorded a valuation allowance for deferred tax assets as management believes that it is not “more likely than not” that the Company will be able to generate sufficient taxable income in future periods to recognize the assets. The net change in the valuation allowance for the years ended December 31, 2007, 2006 and 2005 was $(22.2) million, $(160.1) million, and $(3.7) million, respectively. Approximately $30.6 million of the valuation allowance may be utilized in future periods to reduce intangible assets recorded in connection with the acquisition of AAT. Additionally, at December 31, 2007 the Company has recorded a valuation allowance of approximately $0.3 million relating to tax credit carryovers that expire between 2025 and 2027.

The Company has available at December 31, 2007, a net federal operating tax loss carry-forward of approximately $909.9 million and an additional $74.2 million net operating loss carry-forward from stock options which will benefit additional paid-in capital when the loss is utilized. These net operating tax loss carry-forwards will expire between 2019 and 2027. The Internal Revenue Code places limitations upon the future availability of net operating losses based upon changes in the equity of the Company. If these occur, the ability for the Company to offset future income with existing net operating losses may be limited. In addition the Company has available at December 31, 2007, a net state operating tax loss carry-forward of approximately $583.1 million. These net operating tax loss carry-forwards will expire between 2008 and 2027.

20. COMMITMENTS AND CONTINGENCIES

a. Operating Leases and Capital Leases

The Company is obligated under various non-cancelable operating leases for land, office space, equipment and site leases that expire at various times through December 2106. In addition, the Company is obligated under various non-cancelable capital leases for vehicles that expire at various times through December 2011. The amounts applicable to capital leases for vehicles included in property and equipment, net was:

For the year ended December 31, (in thousands)	2007
Vehicles	$ 960
Less: accumulated depreciation	(113)
Vehicles, net	$ 847

The annual minimum lease payments under non-cancelable operating and capital leases in effect as of December 31, 2007 are as follows (in thousands):

For the year ended December 31,	Capital Leases	Operating Leases
2008	$ 265	$ 46,745
2009	253	46,316
2010	239	45,833
2011	90	45,121
2012	—	43,338
Thereafter	—	824,061
Total minimum lease payments	847	$1,051,414
Less: amount representing interest	(68)	
Present value of future payments	779	
Less: current obligations	(230)	
Long-term obligations	$ 549	

Principally, all of the operating leases provide for renewal at varying escalations. Fixed rate escalations have been included in the table disclosed above.

Rent expense for operating leases was $57.9 million, $47.5 million and $32.6 million for the years ended December 31, 2007, 2006 and 2005, respectively. In addition, certain of the Company's leases include contingent rent provisions which provide for the lessor to receive additional rent upon the attainment of certain tower operating results and/or lease-up. Contingent rent expense for the years ended December 31, 2007, 2006 and 2005 was $7.2 million, $5.3 million and $2.2 million, respectively.

b. Tenant Leases

The annual minimum tower lease income to be received for tower space and antenna rental under non-cancelable operating leases in effect as of December 31, 2007 are as follows:

For the year ended December 31,	(in thousands)
2008	$ 326,829
2009	292,690
2010	233,685
2011	153,639
2012	87,390
Thereafter	197,957
Total	$1,292,190

Principally, all of the leases provide for renewal, generally at the tenant's option, at varying escalations. Fixed rate escalations have been included in the table disclosed above.

SBA Communications Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)

c. Litigation

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

d. Contingent Purchase Obligations

From time to time, the Company agrees to pay additional consideration for acquisitions if the towers or businesses that are acquired meet or exceed certain performance targets in the 1-3 years after they have been acquired. As of December 31, 2007, the Company has an obligation to pay up to an additional $3.7 million in consideration if the targets contained in various acquisition agreements are met. These obligations are associated with new build and tower acquisition programs within the Company's site leasing segment. On certain acquisitions, at the Company's option, additional consideration may be paid in cash or shares of Class A common stock. The Company records such obligations as additional consideration when it becomes probable that the targets will be met. For the years ended December 31, 2007 and 2006, certain earnings targets associated with the acquired towers were achieved, and therefore, the Company paid in cash $5.5 million and $2.1 million, respectively. In addition, for the year ended December 31, 2006, the Company issued approximately 13,000 shares of Class A common stock in settlement of contingent price amounts payable as a result of acquired towers exceeding certain performance targets. During the year ended December 31, 2007, the Company did not issue shares of Class A Common stock in settlement of contingent price amounts as a result of acquired towers exceeding certain performance targets.

21. DEFINED CONTRIBUTION PLAN

The Company has a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code that provides for voluntary employee contributions up to $15,000 of compensation. Employees have the opportunity to participate following completion of three months of employment and must be 21 years of age. Employer matching begins immediately upon the employee's participation in the plan. For the years ended December 31, 2007, 2006 and 2005, the Company made a discretionary matching contribution of 50% of an employee's contributions up to a maximum of $3,000. Company matching contributions were approximately $0.7 million, $0.5 million and $0.5 million for years ended December 31, 2007, 2006 and 2005, respectively.

22. PENSION PLANS

The Company has a defined benefit pension plan (the "Pension Plan") for all employees of AAT Communications hired on or before January 1, 1996. AAT ceased all benefit accruals for active participants on December 31, 1996. The Pension Plan was included in the acquisition of AAT Communications by the Company. The Pension Plan provides for defined benefits based on the number of years of service and average salary.

In December 2006, the Company adopted the recognition and disclosure provisions of SFAS No. 158, which required the Company to recognize assets for all of its overfunded postretirement benefit plans and liabilities for its underfunded plans at December 31, 2006, with a corresponding non-cash adjustment to accumulated other comprehensive loss, net of tax, in shareholders' equity. The funded status is measured as the difference between the fair value of the plan's assets and the projected benefit obligation (PBO) of the plan. The adjustment to shareholders' equity represents the net unrecognized actuarial losses and prior service costs in accordance with SFAS No. 87.

The unrecognized amounts recorded in accumulated other comprehensive loss, net will be subsequently recognized as net periodic pension cost. Actuarial gains and losses that arise in future periods and are not recognized as net periodic pension cost in those periods will be recognized as increases or decreases in other comprehensive income, net of tax, in the period they arise. Actuarial gains and losses recognized in other comprehensive income are adjusted as they are subsequently recognized as a component of net periodic pension cost.

The incremental impact of adopting the provisions of SFAS No. 158 on the Company's balance sheet at December 31, 2006 was to record $0.1 million of additional liability which is recorded in other long-term liabilities and in accumulated other comprehensive loss, net on the Company's Consolidated Balance Sheet. The adoption of FAS 158 had no effect on the Company's Statements of Operations or Cash Flows for the years ended December 31, 2007, 2006, and 2005. None of this amount is expected to be reclassified into the Consolidated Statements of Operations from accumulated other comprehensive loss, net during 2008.

The following table includes the components of pension costs, the fair value of plan assets, and the funded status of the Pension Plan for the year ended December 31, 2007 and the period of April 27 through December 31, 2006:

As of December 31, (in thousands)	2007	2006
Change in benefit obligation:		
Obligation at beginning of year	$1,748	$1,849
Interest Cost	100	66
Actuarial gain (loss)	142	(57)
Benefit payments	(107)	(110)
Obligation at end of year	$1,883	$1,748
Change in fair value of plan assets:		
Fair value of plan assets at April 27, 2006	$1,636	$1,532
Actual return on plan assets	192	84
Employer contributions	142	130
Benefits payments and plan expenses	(107)	(110)
Fair value of plan assets at end of year	$1,863	$1,636

The accumulated benefit obligation for the Pension Plan for the years ended December 31, 2007 and December 31, 2006 was approximately $1.9 million and $1.8 million, respectively. Information for the benefit obligations relative to the fair value of the Pension Plan's assets is as follows as of December 31, 2007:

Projected benefit obligation	$1,883
Accumulated benefit obligation	$1,883
Fair value of plan assets	$1,863
Assumptions used to determined benefit obligations:	
Discount rate	5.25%

The following table summarizes the components of net period pension costs:

As of December 31, (in thousands)	2007	2006
Interest cost	$(100)	$(66)
Expected return on plan assets	98	62
Amortization of actuarial net loss	—	—
Net periodic pension cost	$ (2)	$ (4)
Assumptions used for net benefit cost:		
Discount rate		5.25%
Expected long-term rate of return on plan assets		6.00%

Benefits paid by the Pension Plan were approximately $0.1 million for each year ended December 31, 2007 and December 31, 2006. The Company expects to contribute $0.1 million to the Pension Plan in fiscal year 2008. The Pension Plan's assets were invested in approximately 38% equity securities, 31% fixed income securities, and 31% in other securities at December 31, 2007.

SBA Communications Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Investment policies and strategies governing the assets of the plans are designed to achieve investment objectives within prudent risk parameters. Risk management practices include the use of external investment managers and the maintenance of a portfolio diversified by asset class, investment approach and security holdings, and the maintenance of sufficient liquidity to meet benefit obligations as they come due.

The overall expected long-term rate of return on assets has been derived from the return assumptions for each of the investment sectors, applied to investments held at the acquisition date.

The following table summarizes the future expected pension benefits to be paid:

For the year ended December 31, (in thousands)	
2008	$1,900
2009	—
2010	—
2011	—
2012	—
Thereafter	—
Total	$1,900

23. SEGMENT DATA

The Company operates principally in three business segments: site leasing, site development consulting, and site development construction. The Company's reportable segments are strategic business units that offer different services. They are managed separately based on the fundamental differences in their operations. The site leasing segment includes results of the managed and sublease businesses. Revenues, cost of revenues (exclusive of depreciation, accretion and amortization), capital expenditures (including assets acquired through the issuance of shares of the Company's Class A common stock) and identifiable assets pertaining to the segments in which the Company continues to operate are presented below:

(in thousands)	Site Leasing	Site Development Consulting	Site Development Construction	Not Identified by Segment(1)	Total
For the year ended December 31, 2007					
Revenues	**$ 321,818**	**$24,349**	**$62,034**	**$ —**	**$ 408,201**
Cost of revenues	**$ 88,006**	**$19,295**	**$56,052**	**$ —**	**$ 163,353**
Operating income (loss)	**$ 39,878**	**$ 2,468**	**$ (906)**	**$ (11,393)**	**$ 30,047**
Capital expenditures(2)	**$ 384,430**	**$ 138**	**$ 408**	**$ 682**	**$ 385,658**
For the year ended December 31, 2006					
Revenues	$ 256,170	$16,660	$78,272	$ —	$ 351,102
Cost of revenues	$ 70,663	$14,082	$71,841	$ —	$ 156,586
Operating income (loss)	$ 30,037	$ 1,306	$ 7	$ (11,842)	$ 19,508
Capital expenditures(2)	$1,187,903	$ 216	$ 1,233	$ 1,004	$1,190,356
For the year ended December 31, 2005					
Revenues	$ 161,277	$13,549	$85,165	$ —	$ 259,991
Cost of revenues	$ 47,259	$12,004	$80,689	$ —	$ 139,952
Operating income (loss)	$ 14,349	$ 544	$ (2,360)	$ (8,338)	$ 4,195
Capital expenditures(2)	$ 100,879	$ 57	$ 361	$ 804	$ 102,101
Assets					
As of December 31, 2007	**$2,195,747**	**$ 6,395**	**$38,467**	**$143,714**	**$2,384,323**
As of December 31, 2006	$1,952,126	$ 4,723	$42,476	$ 46,967	$2,046,292

(1) Assets not identified by segment consist primarily of general corporate assets
(2) Includes acquisitions and related earn-outs

24. QUARTERLY FINANCIAL DATA (UNAUDITED)

	Quarter Ended			
(in thousands, except per share amounts)	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Revenues	**$108,903**	**$103,201**	**$100,289**	**$ 95,808**
Operating income	**9,700**	**5,311**	**7,811**	**7,225**
Depreciation, accretion, and amortization	**(44,340)**	**(42,949)**	**(41,650)**	**(40,293)**
Loss from write-off of deferred financing fees and extinguishment of debt	**—**	**—**	**(431)**	**—**
Net loss	**$ (28,879)**	**$ (17,534)**	**$ (15,072)**	**$(16,394)**
Per common share—basic and diluted:				
Net loss per share	**$ (0.27)**	**$ (0.17)**	**$ (0.15)**	**$ (0.16)**

	Quarter Ended			
(in thousands, except per share amounts)	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Revenues	$ 96,750	$ 98,172	$ 87,376	$ 68,804
Operating income	6,054	6,316	2,820	4,318
Depreciation, accretion and amortization	(39,893)	(39,015)	(32,885)	(21,295)
Loss from write-off of deferred financing fees and extinguishment of debt	(3,361)	(34)	(53,838)	—
Net loss	$ (24,265)	$ (24,340)	$ (75,638)	$ (9,205)
Per common share—basic and diluted:				
Net loss per share	$ (0.23)	$ (0.24)	$ (0.77)	$ (0.11)

Because loss per share amounts are calculated using the weighted average number of common and dilutive common shares outstanding during each quarter, the sum of the per share amounts for the four quarters may not equal the total loss per share amounts for the year.

25. SUBSEQUENT EVENTS

Subsequent to December 31, 2007, the Company acquired 47 towers for an aggregate purchase price of $19.1 million, all of which was paid in cash.

On January 18, 2008, Senior Finance obtained a $285.0 million, three-year senior secured revolving credit facility. The facility may be borrowed, repaid and redrawn, subject to compliance with certain covenants. Proceeds available under the facility may only be used for the construction or acquisition of towers and for ground lease buyouts. Amounts borrowed under the facility will accrue interest at LIBOR plus a margin that ranges from 150 basis points to 300 basis points or at a Base Rate plus a margin that ranges from 50 basis points to 200 basis points, based on consolidated total debt to annualized SBA Senior Finance EBITDA ratio (excluding the impact from the borrowers under the mortgage loan underlying the CMBS Certificates). Amounts borrowed under this facility will be secured by a first lien on substantially all of SBA Communications', Telecommunications' and Senior Finance's assets not previously pledged under the CMBS Certificates and substantially all of the subsidiary guarantors' assets and are guaranteed by SBA Communications, Telecommunications and the subsidiary guarantors. Subject to compliance with certain covenants, the facility does not restrict (1) the payment by Senior Finance to the Company of funds generated from operations, (2) the use of those funds by the Company and (3) the incurrence of additional indebtedness by the Company. As of February 22, 2008, availability under the credit facility was approximately $183.0 million of which $20 million has been drawn and is outstanding.

Special Note Regarding Forward-Looking Statements

This annual report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Specifically, this annual report contains forward-looking statements regarding:

- our expectations that the growth of the wireless industry, strong wireless provider demand, customer activity throughout 2008 and 2009 and the impact of recent developments will result in the continued long-term growth of our site leasing revenues and site leasing segment operating profit;
- our intention to grow our tower portfolio by 5% to 10% in 2008, including our intent to build 80 to 100 new towers during 2008, our expectations regarding our ability to meet our tower new build and acquisition targets and our belief that portfolio growth will contribute materially to future financial results;
- our belief that the best use of our cash resources and available liquidity is first for additional portfolio growth and then stock repurchases;
- our belief that growth in equity free cash flow per share will be the single most important factor in creating long-term shareholder value;
- our belief regarding the ideal target leverage ratio and interest coverage ratio;
- our estimates regarding the debt markets and our future decisions and actions impacting leverage;
- our estimates regarding our liquidity, capital expenditures and sources of both, and our ability to fund operations and meet our obligations as they become due;
- our expectations regarding our cash capital expenditures in 2008 for maintenance and augmentation and for new tower builds, tower acquisitions and ground lease purchases and our ability to fund such cash capital expenditures;
- our intent and ability to continue to purchase and/or enter into long-term leases for the land that underlies our towers and the effect of such ground lease purchases on our margins and long-term financial condition;
- our estimates regarding our annual debt service in 2008 and thereafter;
- our estimates of the fair value of our auction rate securities and expectations regarding our ability to liquidate such securities within the year; and
- our estimates regarding certain accounting and tax matters, including the adoption of certain accounting pronouncements and the availability of sufficient net operating losses to offset future taxable income.

These forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, the following:

- our ability to sufficiently increase our revenues and maintain expenses and cash capital expenditures at appropriate levels to permit us to meet our anticipated uses of liquidity for operations and estimated portfolio growth;
- the ability of our clients to access sufficient capital or their willingness to expend capital to fund network expansion or enhancements;
- our ability to continue to comply with covenants and the terms of our credit instruments;
- our ability to maintain our leverage ratio and interest coverage ratio at the target levels we believe are ideal;
- our ability to maximize the prospects for our 2010 and 2011 refinancings;
- our ability to secure as many site leasing tenants as planned, including our ability to retain current leases on towers and deal with the impact, if any, of recent consolidation among wireless service providers;
- our ability to identify towers and land underneath towers that would be attractive to our clients and accretive to our financial results, and to negotiate and consummate agreements to acquire such towers and land;
- our ability to grow our portfolio by 5% to 10% in 2008 including our ability to build 80 to 100 new towers in 2008;
- the availability of shares of Class A common stock for repurchase;
- our ability to secure and deliver anticipated services business at contemplated margins;
- market conditions that may affect the fair value and liquidity of our short-term investments;
- our ability to successfully and timely address zoning issues, permitting and other issues that arise in connection with the building of new towers;
- our ability to realize economies of scale from our tower portfolio;
- the economic climate for the wireless communications industry in general and the wireless communications infrastructure providers in particular;
- the continued use of towers and dependence on outsourced site development services by the wireless communications industry; and
- our ability to successfully estimate certain accounting and tax matters, including the effect on our company of adopting certain accounting pronouncements and the availability of sufficient net operating losses to offset taxable income.

Non-GAAP Financial Measures

This annual report contains certain non-GAAP measures, including Adjusted EBITDA, Annualized Adjusted EBITDA, Net Cash Interest Coverage Ratio, Segment Operating Profit , Equity Free Cash Flow and Equity Free Cash Flow Per Share information. We have provided below a description of such non-GAAP measures, a reconciliation of such non-GAAP measures to their most directly comparable GAAP measures, an explanation as to why management utilizes these measures, their respective limitations and how management compensates for such limitations.

Adjusted EBITDA, Annualized Adjusted EBITDA and Net Cash Interest Coverage Ratio

We define Adjusted EBITDA as loss from continuing operations excluding the impact of net interest expense (including amortization of deferred financing fees), provision for taxes, depreciation, accretion and amortization, asset impairment and other (credits) charges, non-cash compensation, loss from write-off of deferred financing fees and extinguishment of debt, other income and expense (including in the fourth quarter of 2007 the $15.6 million other-than-temporary impairment charge on our auction rate securities), non-cash leasing revenue, non-cash ground lease expense and one-time costs related to transition and integration costs in connection with the AAT acquisition. We define Annualized Adjusted EBITDA as Adjusted EBITDA for a particular quarter multiplied by four. We define Net Cash Interest Coverage Ratio as Adjusted EBITDA for the period divided by net cash interest expense. We have included these non-GAAP financial measures because we believe they are indicators of the profitability and performance of our core operations and reflect the changes in our operating results. Adjusted EBITDA is not intended to be an alternative measure of operating income as determined in accordance with GAAP.

The Non-GAAP measurement of Adjusted EBITDA and Annualized Adjusted EBITDA has certain material limitations, including:

- they do not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore any measure that excludes interest expense has material limitations;

- they do not include depreciation, accretion and amortization expense. As we use capital assets, depreciation, accretion and amortization expense is a necessary element of our costs and ability to generate profits. Therefore any measure that excludes depreciation, accretion and amortization expense has material limitations;

- they do not include provision for taxes. Because the payment of taxes is a necessary element of our costs, particularly in the future, any measure that excludes tax expense has material limitations;

- they do not include non-cash expenses such as asset impairment and other charges, non-cash compensation, other expenses/income, non-cash leasing revenue and non-cash ground lease expense. Because these non-cash items are a necessary element of our costs and our ability to generate profits, any measure that excludes these non-cash items has material limitations; and

- they do not include costs related to transition and integration costs associated with the AAT acquisition. Because these costs are indicative of actual expenses incurred by us, any measure that excludes these costs has material limitations.

We compensate for these limitations by using Adjusted EBITDA and Annualized Adjusted EBITDA as only two of several comparative tools, together with GAAP measurements, to assist in the evaluation of our profitability and operating results.

The reconciliation of Adjusted EBITDA is as follows:

For the year ended December 31, (in thousands)	2007	2006	2005
Loss from continuing operations	$ (77,879)	$(133,448)	$(94,648)
Interest income	(10,182)	(3,814)	(2,096)
Interest expense	101,032	99,712	69,595
Depreciation, accretion and amortization	169,232	133,088	87,218
Asset impairment and other (credit) charges	—	(357)	448
Provision for income taxes	1,993	1,375	2,104
Loss from write-off of deferred financing fees and extinguishment of debt	431	57,233	29,271
Non-cash compensation	6,612	5,410	462
Non-cash leasing revenue	(8,870)	(6,575)	(1,765)
Non-cash ground lease expense	11,248	7,569	4,764
Other expense (income)	15,777	(692)	(31)
AAT integration costs	5	2,313	—
Adjusted EBITDA	$209,399	$ 161,814	$ 95,322

Adjusted EBITDA and Annualized Adjusted EBITDA are calculated as follows:

For the three months ended December 31, (in thousands)	2007	2006
Loss from continuing operations	$ (28,879)	$ (24,265)
Interest income	(2,654)	(969)
Interest expense(1)	25,437	28,340
Depreciation, accretion and amortization	44,340	39,893
Provision for income taxes	453	146
Loss from write-off of deferred financing fees and extinguishment of debt	—	3,361
Non-cash compensation	1,428	1,186
Non-cash leasing revenue	(2,108)	(2,375)
Non-cash ground lease expense	2,399	2,119
Other expense (income)	15,663	(367)
AAT integration costs	—	457
Adjusted EBITDA	$ 56,079	$ 47,526
Multiplied by	4	4
Annualized Adjusted EBITDA	$224,316	$190,104

(1) Includes $2,275 and $2,840 of amortization of deferred financing fees for the three months ended December 31, 2007 and 2006, respectively, and $141 and $(220) of impact of interest rate hedges for the three months ended December 31, 2007 and 2006, respectively.

The calculation of Net Cash Interest Coverage ratio for the three months ended December 31, 2007 is as follows:

For the three months ended December 31, (in thousands)	2007
Adjusted EBITDA	$56,079
Divided by	
Net Cash Interest	20,649
Net Cash Interest Coverage Ratio	2.7x

Equity Free Cash Flow and Equity Free Cash Flow Per Share

This annual report also includes disclosures regarding Equity Free Cash Flow and Equity Free Cash Flow Per Share which are non-GAAP financial measures. Equity Free Cash Flow is defined as Adjusted EBITDA minus net interest expense, non-discretionary cash capital expenditures and cash taxes paid. Equity Free Cash Flow Per Share is defined as Equity Free Cash Flow divided by the weighted average shares outstanding for the period. We discuss Equity Free Cash Flow and Equity Free Cash Flow Per Share because we believe that these measures

Non-GAAP Financial Measures (continued)

are indicators of the amount of cash produced by our business and thus reflect the amount that may be available for reinvestment in the business through discretionary capital expenditures, repayment of indebtedness or return to shareholders. Equity Free Cash Flow is not intended to be an alternative measure of cash flow from operations or operating income as determined in accordance with GAAP. Equity Free Cash Flow Per Share is not intended to be an alternative measure of earnings per share as determined in accordance with GAAP.

The use of Equity Free Cash Flow and Equity Free Cash Flow Per Share has certain material limitations. Specifically these measurements do not include discretionary capital expenditures. Because the determination of which capital expenditures are discretionary is subject to various interpretations and because these types of capital expenditures are an integral part of our plans for growth, any measure that excludes these items has material limitations. Furthermore, as the calculations of Equity Free Cash Flow and Equity Free Cash Flow Per Share are based on our Adjusted EBITDA, this measure is subject to the same material limitations associated with Adjusted EBITDA. In addition, by using Adjusted EBITDA as the starting point rather than cash flow from operating activities, timing differences on the cash receipts and disbursements of a number of items, primarily in working capital, are not captured. We compensate for these limitations by using Equity Free Cash Flow and Equity Free Cash Flow Per Share as only two of several comparative tools, together with GAAP measurements, to assist in the evaluation of our cash flow from operations.

The reconciliation of Equity Free Cash Flow is as follows:

For the year ended December 31, (in thousands)	2007	2006
Adjusted EBITDA	**$209,399**	$161,814
Net interest expense[(1)]	**(82,881)**	(85,017)
Non-discretionary cash capital expenditures	**(6,770)**	(7,021)
Cash taxes paid	**(2,557)**	(1,980)
Equity Free Cash Flow	**$117,191**	$ 67,796

(1) Excludes amortization of deferred financing fees and the impact of interest rate hedging.

The calculation of Equity Free Cash Flow Per Share is as follows:

For the year ended December 31, (in thousands, except per share amounts)	2007	2006
Equity Free Cash Flow	**$117,191**	$67,796
Divided by:		
Weighted average number of common shares	**104,743**	98,193
Equity Free Cash Flow Per Share	**$ 1.12**	$ 0.69

Segment Operating Profit and Segment Operating Profit Margin

Each respective Segment Operating Profit is defined as segment revenues less segment cost of revenues (excluding depreciation, accretion and amortization). Segment Operating Profit Margin is defined as Segment Operating Profit divided by segment revenue. Total Segment Operating Profit is the total of the operating profits of the three segments. Segment Operating Profit and Segment Operating Profit Margin are, in our opinion, indicators of the operating performance of our site leasing and site development segments and are used to provide management with the ability to monitor the operating results and margin of each segment, while excluding the impact of depreciation and amortization which is largely fixed. Segment Operating Profit and Segment Operating Profit Margin are not intended to be alternative measures of revenue, segment gross profit or segment gross profit margin as determined in accordance with GAAP.

The Non-GAAP measurement of Segment Operating Profit and Segment Operating Profit Margin have certain material limitations. Specifically these measurements do not include depreciation, accretion, and amortization expense. As we use capital assets in our business, depreciation, accretion, and amortization expense is a necessary element of our costs and ability to generate profit. Therefore, any measure that excludes depreciation, accretion and amortization expense has material limitations. We compensate for these limitations by using Segment Operating Profit and Segment Operating Profit Margin as only two of several comparative tools, together with GAAP measurements, to assist in the evaluation of the operating performance of our segments.

The reconciliation of Site Leasing Segment Operating Profit, Site Development Consulting Segment Operating Profit and Site Development Construction Segment Operating Profit and the calculation of Segment Operating Profit Margin are as follows:

For the year ended December 31, (in thousands)	Site leasing segment		
	2007	2006	2005
Segment revenue	$321,818	$256,170	$161,277
Segment cost of revenues (excluding depreciation, accretion and amortization)	(88,006)	(70,663)	(47,259)
Segment Operating Profit	$233,812	$185,507	$114,018
Segment Operating Profit Margin	72.7%	72.4%	70.7%

For the year ended December 31, (in thousands)	Site development consulting segment		
	2007	2006	2005
Segment revenue	$ 24,349	$ 16,660	$ 13,549
Segment cost of revenues (excluding depreciation, accretion and amortization)	(19,295)	(14,082)	(12,004)
Segment Operating Profit	$ 5,054	$ 2,578	$ 1,545
Segment Operating Profit Margin	20.7%	15.5%	11.4%

For the year ended December 31, (in thousands)	Site development construction segment		
	2007	2006	2005
Segment revenue	$ 62,034	$ 78,272	$ 85,165
Segment cost of revenues (excluding depreciation, accretion and amortization)	(56,052)	(71,841)	(80,689)
Segment Operating Profit	$ 5,982	$ 6,431	$ 4,476
Segment Operating Profit Margin	9.6%	8.2%	5.3%

Net Debt and Leverage Ratio

This annual report includes disclosures regarding Net Debt and Leverage Ratio. Net Debt is defined as debt minus cash and cash equivalents and short-term restricted cash. Leverage Ratio is defined as Net Debt divided by Annualized Adjusted EBITDA. We have included these non-GAAP financial measures because we believe these items are indicators of our financial condition. The non-GAAP measurements of Net Debt and Leverage Ratio have certain material limitations. Specifically these measurements exclude cash and cash equivalents and short-term restricted cash thereby reducing our debt position. Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, this measure may have material limitations. In addition, since a component of our Leverage Ratio is Annualized Adjusted EBITDA, this measure is subject to the same material limitations associated with Adjusted EBITDA. We compensate for these limitations by using Net Debt and our Leverage Ratio as only two of several comparative tools, together with GAAP measurements, to assist in the evaluation of our financial condition.

The calculations of Net Debt and Leverage Ratio are as follows:

December 31, (in thousands)	2007	2006
Long-term debt	$1,905,000	$1,555,000
Less:		
Cash and cash equivalents and short-term restricted cash	(107,873)	(80,551)
Net debt	$1,797,127	$1,474,449
Divided by:		
Annualized Adjusted EBITDA	224,316	190,104
Leverage ratio	8.0x	7.8x

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Class A common stock commenced trading under the symbol "SBAC" on The NASDAQ National Market System ("NASDAQ") on June 16, 1999 and is currently traded on the NASDAQ Global Select Market. The following table presents the high and low sales price for the Class A common stock for the periods indicated:

	High	Low
Quarter ended December 31, 2007	**$38.50**	**$30.81**
Quarter ended September 30, 2007	**$36.68**	**$28.14**
Quarter ended June 30, 2007	**$34.21**	**$29.00**
Quarter ended March 31, 2007	**$30.46**	**$25.76**
Quarter ended December 31, 2006	$29.41	$23.62
Quarter ended September 30, 2006	$26.03	$21.37
Quarter ended June 30, 2006	$28.20	$20.00
Quarter ended March 31, 2006	$24.55	$17.77

As of February 21, 2008, there were 148 record holders of our Class A common stock.

Dividends

We have never paid a dividend on any class of common stock and anticipate that we will retain future earnings, if any, to fund the development and growth of our business. Consequently, we do not anticipate paying cash dividends on our Class A common stock in the foreseeable future. The ability of our operating subsidiaries to pay dividends or transfer assets to us is restricted by applicable state law and contractual restrictions, including the terms of the senior secured revolving credit facility and the CMBS Certificates.

Equity Compensation Plan Information

The following table gives information about our common stock that may be issued upon the exercise of options, warrants, and rights under all existing equity compensation plans as of December 31, 2007:

	Equity Compensation Plan Information		
(in thousands except exercise price) Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)[(1)] (c)
Equity compensation plans approved by security holders	3,787	$15.67	7,697
Equity compensation plans not approved by security holders	—	—	—
Total	3,787	$15.67	7,697

(1) The maximum number of shares of Class A common stock that may be issued pursuant to awards under the 2001 Equity Participation Plan shall be 15% of the "adjusted common stock outstanding" as defined in the 2001 Equity Participation Plan, subject to certain limitations for specific types of awards.

Report of Independent Registered Certified Public Accounting Firm

The Board of Directors and Shareholders of SBA Communications Corporation and Subsidiaries

We have audited the accompanying consolidated balance sheets of SBA Communications Corporation and Subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SBA Communications Corporation and Subsidiaries at December 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

As discussed in Notes 2 and 15 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 123(R) (revised 2004), *Share-Based Payment,* effective January 1, 2006. Also, as described in Note 15 to the consolidated financial statements, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin ("SAB") No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in the Current Year Financial Statements,* effective September 30, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), SBA Communications Corporation and Subsidiaries' internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2008 (not presented separately herein) expressed an unqualified opinion thereon.

Ernst & Young LLP

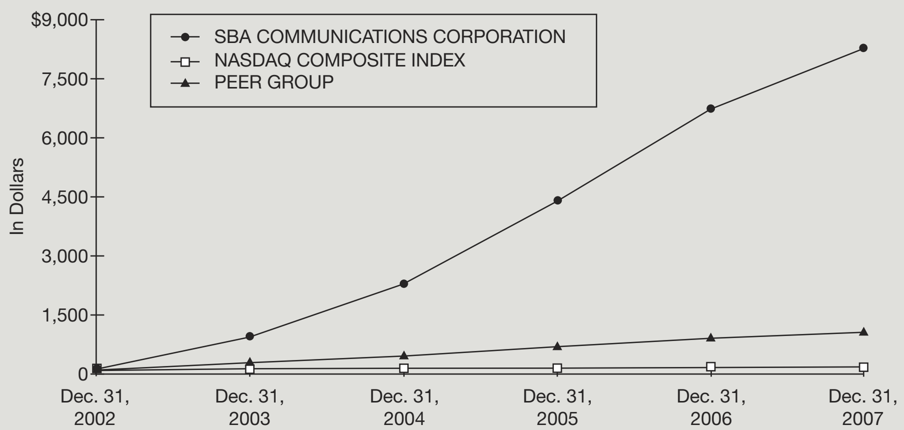
West Palm Beach, Florida
February 26, 2008

Performance Graph

SBA's Class A Common Stock began trading on The NASDAQ National Market on June 16, 1999 when its initial public offering commenced and is currently traded on the NASDAQ Global Select Market. The following graph shows the total return to the shareholders of an investment in SBA's Class A Common Stock as compared to (i) an investment in the NASDAQ Composite Index; and (ii) an investment in a peer group made up of American Tower Corporation, Crown Castle International Corporation, Global Signal, Inc.[(1)] and SpectraSite, Inc.[(2)] (the "Peer Group"). The Peer Group was selected because it is a comprehensive peer group comprised of all of the comparable public companies in the business of owning and operating wireless communications towers, including companies that have emerged from bankruptcy proceedings.

Total shareholder return is determined by dividing (i) the sum of (A) the cumulative amount of dividends for a given period (assuming dividend reinvestment) and (B) the change in share price between the beginning and end of the measurement period, by (ii) the share price at the beginning of the measurement period.

Total Shareholder Returns



	Base Period	INDEXED RETURNS Years Ending				
Company Name/Index	12/31/02	2003	2004	2005	2006	2007
SBA Communications Corporation	$100.00	$917.07	$2,263.41	$4,365.85	$6,707.32	$8,253.66
NASDAQ Composite Index	$100.00	$150.36	$ 163.00	$ 166.58	$ 183.68	$ 201.91
Peer Group	$100.00	$288.35	$ 456.61	$ 695.06	$ 908.97	$1,061.51

Reflects $100 invested on December 31, 2002 in (i) the Class A Common Stock of SBA, (ii) the basket of companies comprising the NASDAQ Stock Market Index, and (iii) the companies comprising the Peer Group.

(1) Global Signal, Inc. emerged from Chapter 11 bankruptcy in 2002 and completed its initial public offering in June 2004. Information about Global Signal, Inc. is included in the Peer Group beginning in June 2004. Global Signal was acquired by Crown Castle International Corporation in January 2007.

(2) SpectraSite, Inc. emerged from Chapter 11 bankruptcy in February 2003, at which time it cancelled its outstanding common stock and issued new common stock in accordance with its plan of reorganization. Information about SpectraSite, Inc. is included in the Peer Group from February 2003 to August 2005. SpectraSite, Inc. was acquired by American Tower Corporation in August 2005.

HEADQUARTERS

5900 Broken Sound Parkway NW
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561.995.7670
800.487.SITE (7483)

REGIONAL OFFICES

Birmingham, AL
Boston, MA
Iselin, NJ
Las Vegas, NV
St. Louis, MO

AUDITORS

Ernst & Young LLP
One Clearlake Centre, Suite 900
250 Australian Avenue
West Palm Beach, FL 33401

TRANSFER AGENT

Computershare Trust Company, N.A.
P.O. Box 43069
Providence, RI 02940-3069
www.computershare.com/equiserve

INVESTOR RELATIONS

SBA Communications Corporation
5900 Broken Sound Parkway NW
Boca Raton, FL 33487
invest@sbasite.com

NOTICE OF ANNUAL MEETING

The annual meeting of shareholders will be held at 10:00 a.m. on May 6, 2008 at Corporate Headquarters
5900 Broken Sound Parkway NW
Boca Raton, FL 33487

INTERNET WEB SITE

www.sbasite.com

COMMON STOCK TRADING SYMBOL

Class A shares of SBA Communications Corporation are traded on the NASDAQ Global Select Market under the symbol SBAC.

DIRECTORS

Steven E. Bernstein,
Chairman of the Board

Jeffrey A. Stoops,
Director, President and Chief Executive Officer

Brian C. Carr,
Director

Duncan H. Cocroft,
Director

Philip L. Hawkins,
Director

Jack Langer,
Director

Steven E. Nielsen,
Director

OFFICERS

Jeffrey A. Stoops,
President and Chief Executive Officer

Kurt L. Bagwell,
Senior Vice President and Chief Operating Officer

Thomas P. Hunt,
Senior Vice President, Chief Administrative Officer and General Counsel

Anthony J. Macaione,
Senior Vice President and Chief Financial Officer

Jason V. Silberstein,
Vice President—Property Management

William J. Bates,
Vice President—Business Development

Reid Boynton,
Vice President—Northeast

Brendan T. Cavanagh,
Vice President and Chief Accounting Officer

Mark R. Ciarfella,
Vice President—Tower Development

Jorge Grau,
Vice President and Chief Information Officer

Randy M. Henderson,
Vice President—West

Pamela J. Kline,
Vice President—Capital Markets

Jo Carol Rutherford,
Vice President—Human Resources

Gary L. Sibley,
Vice President—Managed Sites

David L. Tribble,
Vice President—Construction Services

Jim D. Williamson,
Vice President—Southeast

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