SBA Communications Corporation Announces 1st Quarter Results; Positive EBITDA; Successful Transition To Tower Ownership

BOCA RATON, May 10 /PRNewswire/ -- SBA Communications Corporation ("SBA") announced its financial condition and results of operations for the first quarter ended March 31, 1999. As of the end of the quarter, SBA owned 586 towers, compared to 90 towers owned as of March 31, 1998. As a result of increased tower ownership, SBA reached its goal of earning a majority of its gross profit from the leasing of tower space. Gross profit for the quarter increased 12.5% to $4.7 million from the first quarter of 1998, due to higher site leasing revenues. Total revenues for the quarter decreased 6.6% to $13.7 million from the first quarter of 1998, due to lower site development consulting revenues.

Site leasing revenues increased to $5.1 million for the quarter, a 138.2% increase over the first quarter of 1998. Site leasing gross profit increased to $2.8 million for the quarter, a 324.2% increase over the first quarter of 1998. The increase in site leasing revenues and gross profit reflect the positive impact of the greater number of towers owned by SBA as of March 31, 1999. Site development revenues for the quarter decreased 31.6% to $8.6 million and from the first quarter of 1998. Site development gross profit for the quarter decreased 44.9% to $2.0 million from the first quarter of 1998. Contributing factors were generally lower site development consulting revenues and lower margins on such revenues.

Operating expenses excluding depreciation and amortization for the quarter increased 3.4% to $4.1 million from the first quarter of 1998. Earnings before interest, taxes, depreciation, amortization and non-cash compensation charges (EBITDA) increased to $.7 million from $.3 million in the same period last year, due primarily to the increase in site leasing gross profit and site development construction gross profit, which more than offset the decline in site development consulting gross profit. The first quarter EBITDA represented a substantial improvement over the EBITDA in the fourth quarter of 1998 of ($0.1) million.

Total assets increased to $231.9 million from $214.6 million at December 31, 1998, primarily due to the acquisition and construction of $36.9 million of towers and related assets.

"We are very happy with the way we finished the quarter," commented Steven E. Bernstein, Chief Executive Officer. "We added 92 towers, and we are continuing to increase, on a percentage basis, the recurring revenue and gross profit portion of our total revenue and gross profit base. As projected, we returned to positive EBITDA in the first quarter but for us in a new and more predictable way -- from the recurring revenues generated by our towers. For the first time in our history, site leasing gross profit, or tower cash flow, comprised a majority of our total gross profit. We also closed the previously announced Com-Net transaction in April, and are happy to have Dan Eldridge and his team as part of the SBA family."

SBA is a leading independent provider of communication site services to the wireless communications industry. SBA's primary focus is the construction of new towers and acquisition of existing towers for its own account. Since it was founded in 1989, SBA has participated in the development of over 12,000 antenna sites in the United States. SBA currently owns approximately 640 towers and has over 450 tower projects under various stages of development throughout the nation.

Information Concerning Forward-Looking Statements

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

SBA Communications Corporation
SUMMARY HISTORICAL FINANCIAL DATA

	For the three months ended March 31,	
	1998	1999
Operating Data:		
Revenue:		
Site development revenue	$12,531,250	$8,574,687

Site leasing revenue	2,158,539	5,141,614
Total revenues	14,689,789	13,716,301
Cost of revenues:		
Cost of site development revenue	8,989,385	6,623,195
Cost of site leasing revenue	1,506,871	2,377,506
Total cost of revenues	10,496,256	9,000,701
Gross Profit	4,193,533	4,715,600
Operating expenses	3,942,048	4,077,573
Depreciation and amortization	507,245	3,131,301
Operating loss	(255,760)	(2,493,274)
Other expense	(1,115,769)	(5,499,576)
Loss before income taxes and extraordinary item	(1,371,529)	(7,992,850)
(Provision) benefit for income taxes	(86,584)	785,582
Extraordinary item	---	(1,149,954)
Net Loss	$(1,458,113)	$(8,357,222)
Other Data:		
Earnings before interest taxes, depreciation, amortization and non-cash compensation charges	$299,610	$662,589
Annualized Tower Cash Flow	$2,606,672	$11,056,428

	As of December 31, 1998	As of March 31, 1999
	(IN THOUSANDS)	
Balance Sheet Data:		
Cash and cash equivalents	$26,743	$2,278
Total assets	$214,573	$231,841
Working capital	$8,083	$5,957
Total debt	$182,573	$210,445

SOURCE SBA Communications Corporation
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