SBA Communications Corporation Reports Record Revenues and EBITDA

BOCA RATON, Fla., Aug. 12 /PRNewswire-FirstCall/ -- SBA Communications Corporation (Nasdaq: SBAC) ("SBA" or the "Company") announced significant increases in total revenues and EBITDA for the three months ended June 30, 2002, over the same period in 2001. Total revenues, site leasing revenue, and EBITDA for the three months ended June 30, 2002 were all quarterly record amounts.

For the three months ended June 30, 2002, total revenues increased 20.5% to $69.6 million from the second quarter of 2001, due to both higher site leasing and site development revenue. Site leasing revenue increased to $34.2 million for the quarter, a 37.4% increase over the second quarter of 2001. Site development revenue for the quarter increased 7.7% to $35.4 million from the second quarter of 2001. Earnings before interest, taxes, depreciation, amortization, non-cash charges and unusual or non- recurring expenses ("EBITDA") for the quarter were $20.8 million, a 53.3% increase over the second quarter of 2001.

SBA has completed the implementation of a new accounting principle for goodwill known as Financial Accounting Standard No. 142 (FAS 142). The adoption of FAS 142 resulted in a non-cash charge of $80.6 million, which was the entire amount of goodwill on the Company's balance sheet as of January 1, 2002. In accordance with the new accounting principle, the effect of adopting FAS 142 was recorded as an adjustment to SBA's first quarter 2002 results as a cumulative effect of change in accounting principle.

Loss per share was $(.94) for the three months ended June 30, 2002. The net loss of $(47.3) million included a $21.1 million restructuring and other charge, $7.7 million of which resulted primarily from the Company's previously-announced decision to reduce investment in new tower assets and the remaining $13.4 million resulted from the write off of additional goodwill recorded after January 1, 2002 in connection with the Company's implementation of FAS 142. Excluding the FAS 142-related charge, loss per share for the second quarter was $(.67). Loss per share for the second quarter of 2001 was $(.50).

In the second quarter the Company built 47 towers, ending the quarter with 3,858 owned tower sites. Cash capital expenditures in the quarter were $20.6 million. At quarter-end, SBA was working on new build projects for an additional 52 towers, all of which are expected to be completed by year-end. Based on tenant leases executed as of June 30, 2002, annualized gross revenue added per tower was .38 broadband equivalents and same tower revenue and cash flow growth net of tenant terminations for the trailing twelve months on the 3,254 towers owned as of June 30, 2001 was 19% and 24%, respectively.

Cash and restricted cash as of June 30, 2002 was $31.8 million. SBA did not borrow any additional funds under its $300 million senior credit facility in the second quarter. At June 30, 2002, the outstanding balance under the senior credit facility was $208 million, leaving $92 million undrawn and available, subject to reduced availability from time to time for outstanding letters of credit. The Company also announced that in August 2002 it renegotiated certain financial covenants under its senior credit facility, which renegotiated covenants loosen certain financial requirements of the facility in the 2003 to 2005 period and effect certain other modifications. The ratio of net debt/EBITDA declined from 11.8x at the end of the first quarter to 11.2x at June 30, 2002. Free cash flow, or EBITDA less net cash interest, taxes and cash capital expenditures, was $(13.9) million.

"In the second quarter we executed our business plan very well," commented Jeffrey A. Stoops, SBA's President and Chief Executive Officer. "We produced year-over-year growth in both site leasing and site development revenues, which we think is a strong accomplishment in this difficult business environment. Our core business of tower ownership continues to perform well, and we again recognized sequential increases in site leasing revenue, tower cash flow and tower cash flow margin. We produced absolute reductions in selling, general and administrative expense both sequentially and year-over- year, demonstrating our continued ability to control expenses. We worked proactively to improve our liquidity position. We substantially reduced net cash usage, reduced future capital expenditure obligations and renegotiated our bank covenants, which provides us with a substantially improved credit facility compliance profile in 2003 and beyond. Notwithstanding these challenging times, SBA continues to be on track to accomplish its goals of continued growth and positive free cash flow. Based on our current plan, we are fully-funded and now one quarter closer to positive free cash flow, which we continue to expect will occur in the first quarter of 2003."

A conference call has been scheduled for Tuesday, August 13, 2002 at 10:00 AM EST to discuss second quarter results and the Company's third quarter and full year 2002 outlook. The toll free dial-in number is 888-428-4480. The name of the conference call is "SBA 2002 2nd Quarter Results." A replay will be available from August 13, 2002 at 5:00 PM to August 27, 2002 at 11:59 PM. The replay number is 800-475-6701. The access code is 645016. You may also listen to this conference call via a webcast that can be accessed via the Internet at: www.sbasite.com.

SBA is a leading independent owner and operator of wireless communications infrastructure in the United States. SBA generates revenue from two primary businesses -- site leasing and site development services. The primary focus of the Company is the leasing of antenna space on its multi-tenant towers to a variety of wireless service providers under long-term lease contracts. Since it was founded in 1989, SBA has participated in the development of over 20,000 antenna sites in the United States.

For additional information, please contact Pam Kline, Vice President, Capital Markets, at: (561) 995-7670.

Information Concerning Forward-Looking Statements

This press release includes forward-looking statements, including statements regarding (i) the Company's future financial performance, including its expectations regarding its revenues, EBITDA, margins, its continued ability to control expenses, lease-up, and capital resources positions and future requirements (ii) the Company's ability to be free cash flow positive by the first quarter of 2003 and (iii) the Company's expectation that all new build projects will be completed by year-end. 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 factor disclosure contained in the Company's Securities and Exchange Commission filings, including the Company's report on Form 10-K filed with the Commission on March 21, 2002. 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. With respect to the Company's future financial performance, its ability to be free cash flow positive by 2003, and its ability to complete all new builds by year-end, such factors include, but are not limited to, (1) the Company's ability to secure as many site leasing tenants as planned at anticipated lease rates, (2) the Company's ability to expand our site leasing business, (3) the Company's ability to complete construction of new towers that it is currently obligated to construct on a timely and cost-efficient basis, including our ability to successfully address zoning issues, carrier design changes, changing local market conditions and the impact of adverse weather conditions, (4) the Company's ability to retain current lessees on towers, (5) the Company's ability to secure and deliver anticipated services business at contemplated margins, (6) the Company's ability to continue to comply with covenants and the terms of its senior credit facility, as amended, (7) the business climate for the wireless communications industry in general and the wireless communications infrastructure providers in particular, (8) the ability and willingness of wireless service providers to maintain or increase their capital expenditures, and (9) the continued dependence on towers and outsourced site development services by the wireless communications industry. 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 AND OTHER DATA
(In thousands except per share and tower data)

	For the three months ended June 30,		For the six months ended June 30,	
Operating Data:	2002	2001	2002	2001
Revenues:				
Site development	$35,373	$32,840	$66,776	$65,513
Site leasing	34,235	24,915	66,775	45,198
Total revenues	69,608	57,755	133,551	110,711
Cost of revenues:				
Site development	28,562	25,214	53,241	50,232
Site leasing	11,711	9,110	22,951	16,238
Total cost of revenues	40,273	34,324	76,192	66,470
Gross Profit	29,335	23,431	57,359	44,241
Operating Expenses:				
Restructuring and other charge	21,085	---	75,203	---
Selling, general and administrative	8,998	10,759	18,373	21,400
Depreciation and amortization	24,192	18,368	50,247	33,375
Total operating expenses	54,275	29,127	143,823	54,775
Operating loss	(24,940)	(5,696)	(86,464)	(10,534)
Other income (expense):				
Interest income	83	2,207	96	5,207
Interest expense	(13,576)	(11,954)	(26,793)	(20,637)
Non-cash amortization of original issue discount and debt issuance costs	(8,285)	(7,288)	(16,287)	(14,256)

Other	(118)	(112)	(40)	(196)
Total other expense	(21,896)	(17,147)	(43,024)	(29,882)
Loss before provision for income taxes, extraordinary item and cumulative effect of change in accounting principle	(46,836)	(22,843)	(129,488)	(40,416)
Provision for income taxes	(500)	(478)	(1,079)	(832)
Loss before extraordinary item and cumulative effect of change in accounting principle	(47,336)	(23,321)	(130,567)	(41,248)
Extraordinary item - write-off of deferred financing fees	---	---	---	(5,069)
Cumulative effect of change in accounting principle	---	---	(80,592)	---
Net loss	$(47,336)	$(23,321)	$(211,159)	$(46,317)
Basic and diluted loss per common share	$(0.94)	$(0.50)	$(4.25)	$(0.99)
Weighted average number of shares	50,392	47,105	49,705	46,954
Other Data:				
Earnings before interest, taxes, depreciation, amortization, non-cash charges, and unusual or non-recurring expenses (EBITDA)(1)	$20,797	$13,563	$40,098	$24,520
Annualized tower cash flow(2)	$90,096	$63,220		

(1)EBITDA represents earnings (loss) before interest, taxes, depreciation, amortization, non-cash compensation, restructuring and other charge, extraordinary item, other income (expense) and cumulative effect of change in accounting principle. EBITDA is commonly used in the communications industry to analyze companies on the basis of operating performance, leverage and liquidity. EBITDA is not intended to represent cash flows for the periods presented, nor has it been presented as an alternative to operating income or as an indicator of operating performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with accounting principles generally accepted in the United States. Companies calculate EBITDA differently and, therefore, EBITDA as presented by us may not be comparable to EBITDA reported by other companies.

Non-cash compensation expense of $460 and $891 is included in selling, general and administrative expense for the three months ended June 30, 2002 and June 30, 2001, respectively, and $1,112 and $1,679 for the six months ended June 30, 2002 and 2001, respectively.

(2)"Tower cash flow" is defined as site leasing revenue less cost of site leasing revenue (exclusive of depreciation). We believe tower cash flow is useful because it allows you to compare tower performance before the effect of expenses (selling, general and administrative) that do not relate directly to tower performance. "Annualized tower cash flow" is defined as tower cash flow for the respective calendar quarter attributable to our site leasing business multiplied by four.

	As of June 30, 2002	As of December 31, 2001
Balance Sheet Data:		
Cash, restricted cash and cash equivalents	$31,814	$13,904
Total assets	$1,322,686	$1,429,011
Total debt	$959,866	$845,453
Common shareholders' equity	$246,457	$450,644

Growth in Leasing:	Annualized Leasing Revenue(1)	Towers	Tenants on Owned Towers	Annual Revenue/ Tower
March 31, 2002 reported	$129,473	3,816	7,983	$33,929

From added towers(2)	739	47	47	
Organic(3)	6,460	---	214	
Terminations	(532)	---	(53)	
Dispositions/ reclassifications	(16)	(5) (4)	(2)	
June 30, 2002	$136,125	3,858	8,189	$35,284

(1)Run-rate leasing revenues as of end of quarter; reported on an operational basis, some of which has not yet begun to be recorded as revenue for financial statement purposes; excludes lease-sublease revenues of approximately $4.5 million per year.

(2)Reflects first tenants on new builds when contracted for upon completion date.

(3)Includes all other leasing revenue growth beyond that reflected from added towers, including first-time tenants and all increased revenues from existing tenants, such as rent escalators, amendments, microwave, generators, etc.

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

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