



SBA Communications Corporation to Sell Western Towers to AAT Communications Corp.; Proceeds to Reduce Indebtedness

BOCA RATON, Fla., March 18 /PRNewswire-FirstCall/ -- SBA Communications Corporation (Nasdaq: SBAC) ("SBA" or the "Company") announced today that certain of its subsidiaries have entered into a definitive agreement to sell to AAT Communications Corp. ("AAT") 679 towers or, at the election of AAT, 801 towers, for a purchase price of \$160 million or \$203 million, respectively, subject to adjustment in certain circumstances (the "Transaction"). The towers comprise substantially all of SBA's tower assets in the Western United States, including Michigan, Wisconsin, Iowa, Missouri, part of Illinois, Oklahoma and most of Texas. The Transaction is expected to close in stages commencing May 9, 2003 and ending September 30, 2003. The purchase price shall be paid in cash and substantially all of the net proceeds from the Transaction are anticipated to be used by SBA to reduce indebtedness. The Transaction is subject to a number of conditions, including an amendment to the existing senior credit facility of SBA Telecommunications, Inc. to modify certain financial covenants, among other items. In the fourth quarter of 2002, the 801 towers contributed approximately \$3.9 million of site leasing gross profit (tower cash flow) to SBA's financial results. At December 31, 2002 such towers had run-rate annualized tower cash flow of approximately \$17.8 million as reported on an operational basis, including all signed leases as of such date some of which had not begun to accrue revenue for financial statement purposes. Pro forma for the Transaction and the sale of 801 towers, SBA would own 3,076 towers.

"In the fourth quarter, we began actively exploring alternatives to improve our balance sheet and stabilize our liquidity position," commented Jeffrey A. Stoops, SBA's President and Chief Executive Officer. "We explored various options to accomplish those goals, and we determined that the quality of our towers afforded us attractive opportunities to sell some of our assets and reduce debt. This Transaction accomplishes our goals, and we believe it evidences both the quality of our portfolio and the long-term attractiveness of our business. The net proceeds from the Transaction with AAT will reduce our absolute debt and pro forma net debt leverage ratio, and stabilize our liquidity position long-term through the amendment to our credit facility, which amendment is a condition to closing the sale. In addition, we expect improved operating efficiencies and reduced overhead costs to result from the Transaction as we focus our future tower ownership activities in the eastern third of the U.S. where the remaining approximately 80% of our towers are located. With the closing of this Transaction and the improvements to our balance sheet and liquidity, we believe we will be on a solid path to produce continued attractive same tower revenue and cash flow growth, increasing EBITDA and, ultimately, positive free cash flow."

"We are delighted about the agreement reached with SBA to acquire these towers, which are a great compliment to our current portfolio," said Jerald L. Kent, Chief Executive Officer of both AAT Communications and Cequel III, LLC, the St. Louis-based management company that oversees AAT's operations in conjunction with that company's executive team in Iselin, New Jersey. "When Cequel III teamed up with Charterhouse Group International and AAT Communications last year, we collectively agreed that we wanted to reach critical mass in two years. With this agreement, we will achieve that in one year."

SBA will provide more information about the Transaction in its conference call to discuss its fourth quarter results, scheduled for March 25, 2003 at 10:00 a.m. Dial-in number: 800-851-3058. Conference call name: "SBA 2002 4th Quarter Results," Replay: March 25, 2003 at 5:00 p.m. to April 8, 2003 at 11:59 p.m. Replay number: 800-642-1687, Access code: 7656254. Internet access: www.sbsite.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.

Before pending acquisitions, AAT Communications Corp. owns and/or manages more than 6,000 tower sites across the United States, leasing space for wireless voice and data services to a broad tenant base. The company also has management contracts with a long list of clients, including Union Pacific, Norfolk Southern, and the State of Michigan. In addition to site acquisition and management, AAT is a leader in collocation and technical support services.

Cequel III, LLC. is a privately held management company, which, in addition to AAT Communications, oversees a number of growth-oriented firms in the telecommunications and cable industries. In February, Cequel III assumed management responsibilities for Classic Communications, the nation's 12th-largest cable operator. Also in February, Cequel III announced agreements, pending customary closing conditions and regulatory approvals, to purchase several Houston-area cable systems from Shaw Communications Inc.; and to co-establish C III Communications, LLC, which will acquire and manage the assets of Broadwing Communications Services, Inc., the broadband subsidiary of Cincinnati-based Broadwing Inc.

For additional information about SBA, please contact Pamela J. Kline, Vice President, Capital Markets, at (561) 995-7670.

This press release includes forward looking statements, including (i) the Company's expectations regarding the total number of towers that will be sold, the final purchase price and the proceeds; (ii) the Company's expectations that the Company and AAT will satisfy all closing conditions, including the Company's ability to amend its existing senior credit facility; (iii) the Company's expectations regarding the consummation of the closing in stages commencing on May 9, 2003 and ending on September 30, 2003; (iv) the Company's expectations regarding the effects of the Transaction on its balance sheet and liquidity position, reduction of its absolute debt and pro forma net debt leverage ratio, operating efficiencies and overhead costs; (v) the Company's expectations regarding its ability to continue to achieve attractive same tower revenue and cash flow growth, increasing EBITDA and positive free cash flow; and (vi) its intention to focus future tower ownership activities in the Eastern U.S.

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 expectations regarding the number of towers that will be sold, the final purchase price and the net proceeds from the Transaction, such factors include the decision by AAT to elect to purchase the final 122 towers, and potential adjustments based on the aggregate tower cash flow sold as determined by the terms of the purchase agreement. With respect to other forward looking statements, including statements regarding the financial impact of the Transaction, such factors include, but are not limited to, (i) the ability of the Company to satisfy all closing conditions, including the receipt of the necessary bank consents, consents from third parties and other customary closing conditions and (ii) any indemnification obligations that may arise under the agreement. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

SOURCE SBA Communications Corporation