

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except par values)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 146,109	\$ 118,039
Restricted cash	36,786	25,353
Short-term investments	223	706
Accounts receivable, net	78,344	83,326
Costs and estimated earnings in excess of billings on uncompleted contracts	11,127	16,934
Prepaid expenses and other current assets	51,982	49,602
Total current assets	324,571	293,960
Property and equipment, net	2,792,076	2,782,353
Intangible assets, net	3,656,924	3,735,413
Other assets	587,374	501,254
Total assets	<u>\$ 7,360,945</u>	<u>\$ 7,312,980</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 28,320	\$ 27,105
Accrued expenses	61,129	63,755
Current maturities of long-term debt	627,157	20,000
Deferred revenue	101,098	97,083
Accrued interest	44,503	53,365
Other current liabilities	11,240	12,063
Total current liabilities	873,447	273,371
Long-term liabilities:		
Long-term debt, net	8,148,426	8,432,070
Other long-term liabilities	334,993	313,683
Total long-term liabilities	8,483,419	8,745,753
Shareholders' deficit:		
Preferred stock - par value \$.01 , 30,000 shares authorized, no shares issued or outst.	—	—
Common stock - Class A, par value \$.01 , 400,000 shares authorized, 121,004 and 125,743 shares issued and outstanding at December 31, 2016 and December 31, 2015 , respectively	1,210	1,257
Additional paid-in capital	2,010,520	1,962,713
Accumulated deficit	(3,637,467)	(3,168,069)
Accumulated other comprehensive loss, net	(370,184)	(502,045)
Total shareholders' deficit	(1,995,921)	(1,706,144)
Total liabilities and shareholders' deficit	<u>\$ 7,360,945</u>	<u>\$ 7,312,980</u>

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,		
	2016	2015	2014
Revenues:			
Site leasing	\$ 1,538,070	\$ 1,480,634	\$ 1,360,202
Site development	95,055	157,840	166,794
Total revenues	1,633,125	1,638,474	1,526,996
Operating expenses:			
Cost of revenues (exclusive of depreciation, accretion, and amortization shown below):			
Cost of site leasing	342,215	324,655	301,313
Cost of site development	78,682	119,744	127,172
Selling, general, and administrative	143,349	114,951	103,317
Acquisition related adjustments and expenses	13,140	11,864	7,798
Asset impairment and decommission costs	30,242	94,783	23,801
Depreciation, accretion, and amortization	638,189	660,021	627,072
Total operating expenses	1,245,817	1,326,018	1,190,473
Operating income	387,308	312,456	336,523
Other income (expense):			
Interest income	10,928	3,894	677
Interest expense	(329,171)	(322,366)	(292,600)
Non-cash interest expense	(2,203)	(1,505)	(27,112)
Amortization of deferred financing fees	(21,136)	(19,154)	(17,572)
Loss from extinguishment of debt, net	(52,701)	(783)	(26,204)
Other income (expense), net	94,278	(139,137)	10,628
Total other expense, net	(300,005)	(479,051)	(352,183)
Income (loss) before provision for income taxes	87,303	(166,595)	(15,660)
Provision for income taxes	(11,065)	(9,061)	(8,635)
Net income (loss)	\$ 76,238	\$ (175,656)	\$ (24,295)
Net income (loss) per common share:			
Basic	\$ 0.61	\$ (1.37)	\$ (0.19)
Diluted	\$ 0.61	\$ (1.37)	\$ (0.19)
Weighted average common shares outstanding:			
Basic	124,448	127,794	128,919
Diluted	125,144	127,794	128,919

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SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	For the year ended December 31,		
	2016	2015	2014
Net income (loss)	\$ 76,238	\$ (175,656)	\$ (24,295)
Foreign currency translation adjustments	131,861	(319,559)	(148,807)
Comprehensive income (loss)	<u>\$ 208,099</u>	<u>\$ (495,215)</u>	<u>\$ (173,102)</u>

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SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands)

	Class A Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Deficit	Loss	Total
BALANCE, December 31, 2013	128,432	\$ 1,284	\$ 2,907,446	\$ (2,518,085)	\$ (33,679)	\$ 356,966
Net loss	—	—	—	(24,295)	—	(24,295)
Common stock issued in connection with stock purchase/option plans	696	7	7,741	—	—	7,748
Non-cash stock compensation	—	—	22,999	—	—	22,999
Settlement of convertible notes	11,742	117	9,450	—	—	9,567
Settlement of convertible note hedges	(11,737)	(117)	124	—	—	7
Settlement of common stock warrants	1	—	(884,985)	—	—	(884,985)
Foreign currency translation adjustments	—	—	—	—	(148,807)	(148,807)
BALANCE, December 31, 2014	129,134	1,291	2,062,775	(2,542,380)	(182,486)	(660,800)
Net loss	—	—	—	(175,656)	—	(175,656)
Common stock issued in connection with stock purchase/option plans	591	6	21,604	—	—	21,610
Non-cash stock compensation	—	—	29,208	—	—	29,208
Settlement of common stock warrants	—	—	(150,874)	—	—	(150,874)
Repurchase and retirement of common stock	(3,982)	(40)	—	(450,033)	—	(450,073)
Foreign currency translation adjustments	—	—	—	—	(319,559)	(319,559)
BALANCE, December 31, 2015	125,743	1,257	1,962,713	(3,168,069)	(502,045)	(1,706,144)
Net income	—	—	—	76,238	—	76,238
Common stock issued in connection with stock purchase/option plans	602	6	14,404	—	—	14,410
Non-cash stock compensation	—	—	33,403	—	—	33,403
Repurchase and retirement of common stock	(5,341)	(53)	—	(545,636)	—	(545,689)
Foreign currency translation adjustments	—	—	—	—	131,861	131,861
BALANCE, December 31, 2016	121,004	\$ 1,210	\$ 2,010,520	\$ (3,637,467)	\$ (370,184)	\$ (1,995,921)

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SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

	For the year ended December 31,		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 76,238	\$ (175,656)	\$ (24,295)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, accretion, and amortization	638,189	660,021	627,072
Non-cash interest expense	2,203	1,505	27,112
Deferred income tax expense (benefit)	1,409	(5)	530
Non-cash asset impairment and decommission costs	25,693	89,406	18,384
Non-cash compensation expense	32,915	28,747	22,671
Amortization of deferred financing fees	21,136	19,154	17,572
(Gain) loss on remeasurement of U.S. denominated intercompany loan	(90,030)	178,854	22,965
Gain on sale of cost method investments	—	(38,326)	(12,461)
Loss from extinguishment of debt, net	52,701	783	26,204
Gain on foreign currency swap contract	—	—	(17,891)
Provision for doubtful accounts	22,516	896	365
Other non-cash items reflected in the Statements of Operations	(4,837)	(6,755)	(7,754)
Changes in operating assets and liabilities, net of acquisitions:			
AR and costs and est. earnings in excess of billings on uncompleted contracts, net	(7,270)	15,975	(36,245)
Prepaid expenses and other assets	(40,289)	(62,934)	(62,185)
Accounts payable and accrued expenses	(10,516)	7,366	5,475
Other liabilities	22,467	3,999	66,821
Net cash provided by operating activities	742,525	723,030	674,340
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(276,835)	(609,530)	(1,585,222)
Capital expenditures	(139,982)	(208,707)	(211,251)
Proceeds from sale of investments	712	89,728	20,889
Other investing activities	(12,130)	(8,556)	11,457
Net cash used in investing activities	(428,235)	(737,065)	(1,764,127)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under Revolving Credit Facility	580,000	770,000	700,000
Repayments under Revolving Credit Facility	(190,000)	(895,000)	(790,000)
Repayment of Term Loans	(20,000)	(190,000)	(310,500)
Proceeds from Term Loans, net of fees	—	489,884	1,483,337
Payments on settlement of convertible debt	—	—	(499,721)
Payments for settlement of common stock warrants	—	(150,874)	(884,985)
Payment for the redemption of 8.25% Senior Notes	—	—	(253,805)
Payment for the redemption of 5.625% Senior Notes	(514,065)	—	—
Payment for the redemption of 5.75% Senior Notes	(825,795)	—	—
Proceeds from 2014 Senior Notes, net of fees	—	—	732,325
Proceeds from 2016 Senior Notes, net of fees	1,078,123	—	—
Proceeds from issuance of Tower Securities, net of fees	690,475	489,100	1,518,229
Repayment of Tower Securities	(550,000)	—	(680,000)
Repurchase and retirement of common stock, inclusive of fees	(545,689)	(450,073)	—
Other financing activities	8,394	12,714	(19,582)
Net cash (used in) provided by financing activities	(288,557)	75,751	995,298
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	13,618	(12,993)	13,977
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	39,351	48,723	(80,512)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:			
Beginning of year	146,619	97,896	178,408
End of year	\$ 185,970	\$ 146,619	\$ 97,896

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