

SBA COMMUNICATIONS CORP
Form 10-Q
August 05, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2011

or

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-30110

SBA COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

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Florida (State or other jurisdiction of incorporation or organization)	65-0716501 (I.R.S. Employer Identification No.)
5900 Broken Sound Parkway NW Boca Raton, Florida (Address of principal executive offices)	33487 (Zip code)
(561) 995-7670 (Registrant's telephone number, including area code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 111,482,031 shares of Class A common stock outstanding as of August 1, 2011.

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(in thousands, except par values)

	June 30, 2011 (unaudited)	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 277,749	\$ 64,254
Restricted cash	23,956	29,456
Short term investments	2,829	4,016
Accounts receivable, net of allowance of \$218 and \$263 at June 30, 2011 and December 31, 2010, respectively	18,272	18,784
Costs and estimated earnings in excess of billings on uncompleted contracts	15,362	17,775
Prepaid and other current assets	14,639	12,442
Total current assets	352,807	146,727
Property and equipment, net	1,553,942	1,534,318
Intangible assets, net	1,551,428	1,500,012
Deferred financing fees, net	46,751	45,110
Other assets	188,081	174,008
Total Assets	\$ 3,693,009	\$ 3,400,175
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 15,511	\$ 11,847
Accrued expenses	20,572	21,429
Deferred revenue	52,533	61,138
Accrued interest	32,316	32,293
Current portion of long-term debt	5,000	
Other current liabilities	3,299	3,877
Total current liabilities	129,231	130,584
Long-term liabilities:		
Long-term debt	3,319,362	2,827,450
Other long-term liabilities	119,211	112,008
Total long-term liabilities	3,438,573	2,939,458
Commitments and contingencies		
Redeemable noncontrolling interests	12,284	13,023

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Shareholders' equity:

Common stock - Class A, par value \$0.01, 400,000 shares authorized, 111,449 and 114,832 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	1,114	1,148
Additional paid-in capital	2,253,157	2,243,457
Accumulated deficit	(2,143,774)	(1,929,670)
Accumulated other comprehensive income, net	2,424	2,175
Total shareholders' equity	112,921	317,110
Total liabilities and shareholders' equity	\$ 3,693,009	\$ 3,400,175

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

Table of Contents**SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited) (in thousands, except per share amounts)**

	For the three months ended June 30,		For the six months ended June 30,	
	2011	2010	2011	2010
Revenues:				
Site leasing	\$ 150,173	\$ 131,739	\$ 296,657	\$ 259,706
Site development consulting	4,672	4,680	8,863	9,263
Site development construction	16,208	18,096	33,282	33,511
Total revenues	171,053	154,515	338,802	302,480
Operating expenses:				
Cost of revenues (exclusive of depreciation, accretion and amortization shown below):				
Cost of site leasing	32,123	30,004	64,099	59,187
Cost of site development - consulting	3,540	3,649	6,767	7,281
Cost of site development - construction	14,444	16,305	29,945	30,562
Selling, general and administrative	15,721	14,297	31,616	28,814
Asset impairment	296		296	
Acquisition related expenses	1,029	1,405	3,402	3,449
Depreciation, accretion and amortization	76,691	68,831	151,569	136,277
Total operating expenses	143,844	134,491	287,694	265,570
Operating income	27,209	20,024	51,108	36,910
Other income (expense):				
Interest income	29	175	59	257
Interest expense	(38,528)	(37,711)	(76,309)	(74,829)
Non-cash interest expense	(15,613)	(14,780)	(31,006)	(29,647)
Amortization of deferred financing fees	(2,201)	(2,214)	(4,400)	(4,706)
Loss from extinguishment of debt, net		(48,932)	(1,696)	(49,044)
Other expense, net	(104)	(434)	(649)	(115)
Total other expense, net	(56,417)	(103,896)	(114,001)	(158,084)
Loss before (provision) benefit for income taxes	(29,208)	(83,872)	(62,893)	(121,174)
(Provision) benefit for income taxes	(702)	18	(1,393)	(91)
Net loss	(29,910)	(83,854)	(64,286)	(121,265)
Less: Net loss attributable to the noncontrolling interest	91	155	216	240
Net loss attributable to SBA Communications Corporation	\$ (29,819)	\$ (83,699)	\$ (64,070)	\$ (121,025)

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Net loss per common share attributable to SBA Communications Corporation:

Basic and diluted	\$ (0.27)	\$ (0.72)	\$ (0.57)	\$ (1.04)
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Basic and diluted weighted average number of common shares	112,324	115,666	113,365	116,388
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The accompanying condensed notes are an integral part of these consolidated financial statements.

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SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(unaudited) (in thousands)

	For the three months ended June 30,		For the six months ended June 30,	
	2011	2010	2011	2010
Net loss attributable to SBA Communications Corporation	\$ (29,819)	\$ (83,699)	\$ (64,070)	\$ (121,025)
Other comprehensive loss associated with derivative instruments:				
Amortization of net deferred loss from settlement of derivative financial instruments		91		