

Supplemental Financial Data

Key Financial and Operational Measures and Non-GAAP Financial Measures



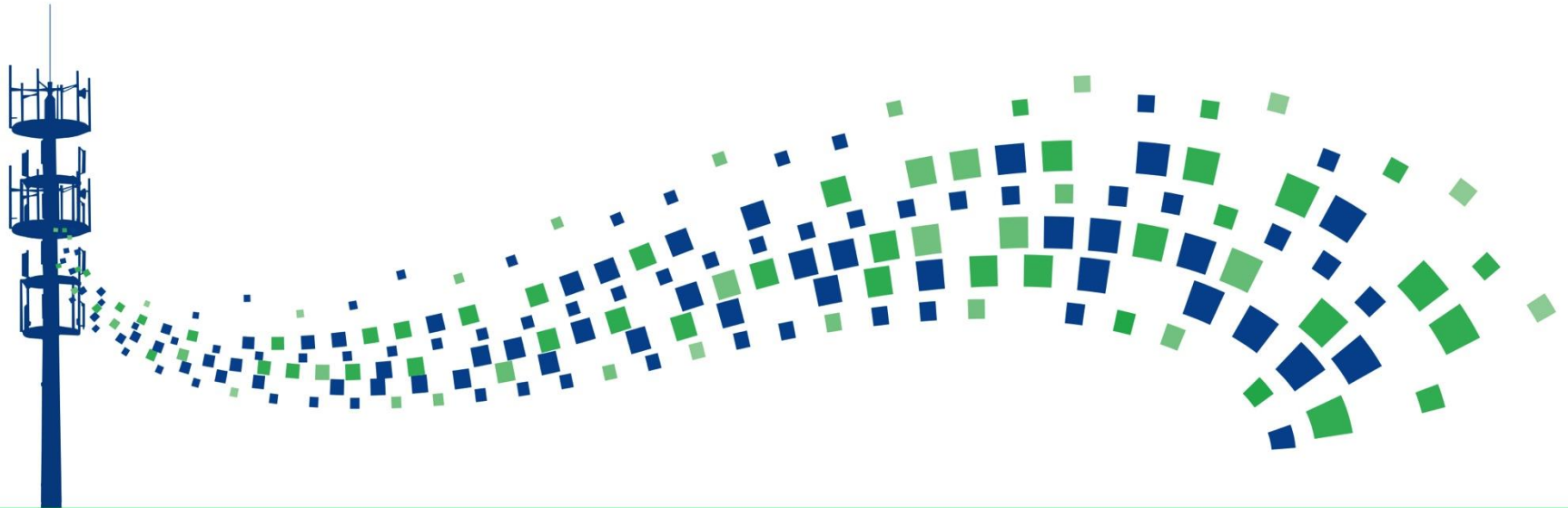
Fourth Quarter 2017



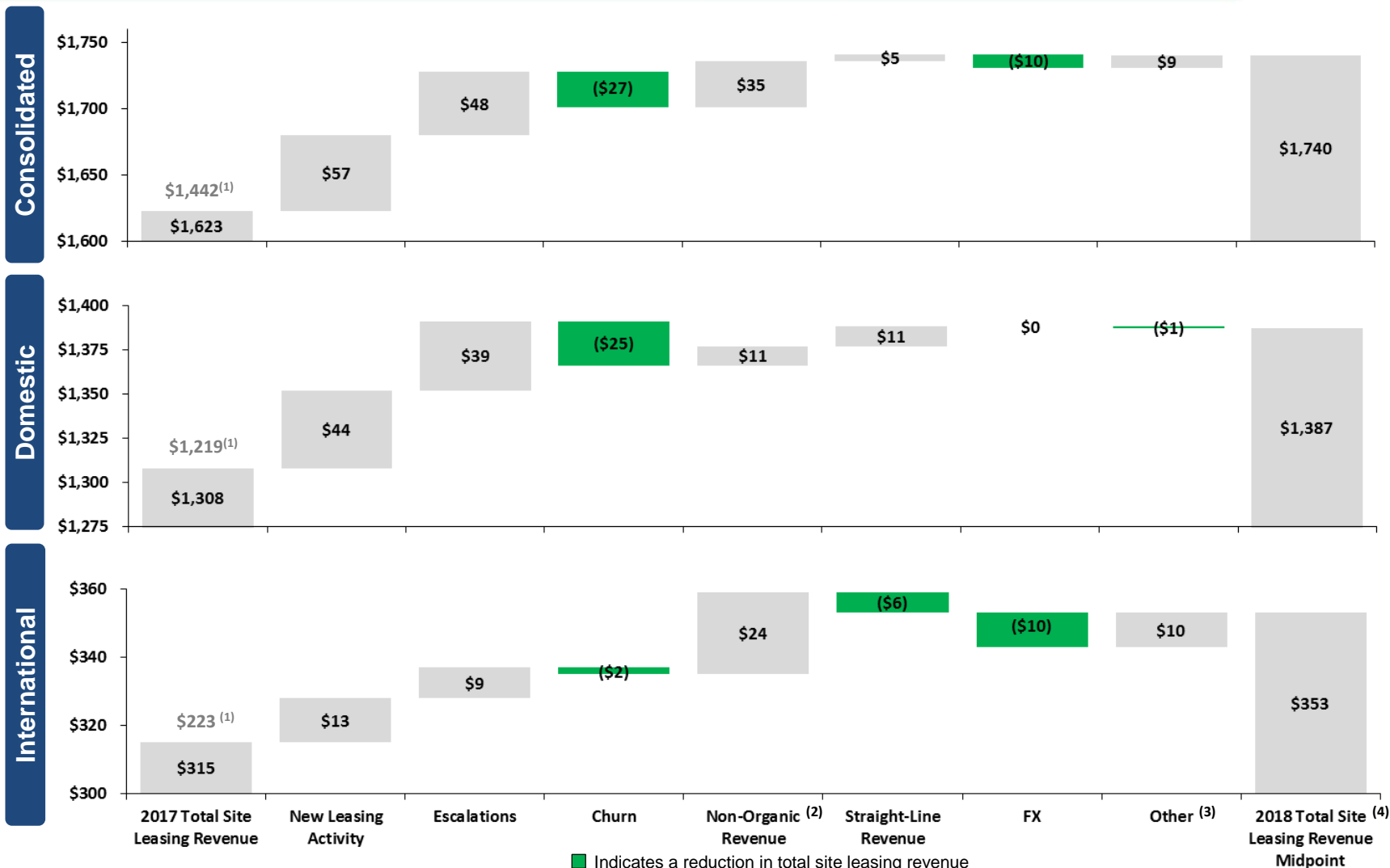
This Supplemental Financial Data package provides key financial and operational data as well as reconciliations of those non-GAAP financial measures that SBA Communications Corporation (“SBA” or “We”) use in evaluating the performance of our business.

These non-GAAP financial measures include (1) Cash Site Leasing Revenue, (2) Core Recurring Cash Leasing Revenue, (3) Tower Cash Flow and Tower Cash Flow Margin, (4) Adjusted EBITDA, Annualized Adjusted EBITDA, and Adjusted EBITDA Margin, (5) Return on Invested Capital, (6) Net Debt, Net Secured Debt, Leverage Ratio, Net Cash Interest Coverage Ratio, and Secured Leverage Ratio, (7) Funds From Operations, Adjusted Funds From Operations, and Adjusted Funds From Operations Per Share and (8) certain financial metrics after eliminating the impact of changes in foreign currency exchange rates (collectively, our “Constant Currency Measures”) and other identified non-recurring items. The following pages provide reconciliations of these non-GAAP financial measures to their most comparable GAAP measures and the other information required by Regulation G.

Key Financial and Operational Measures

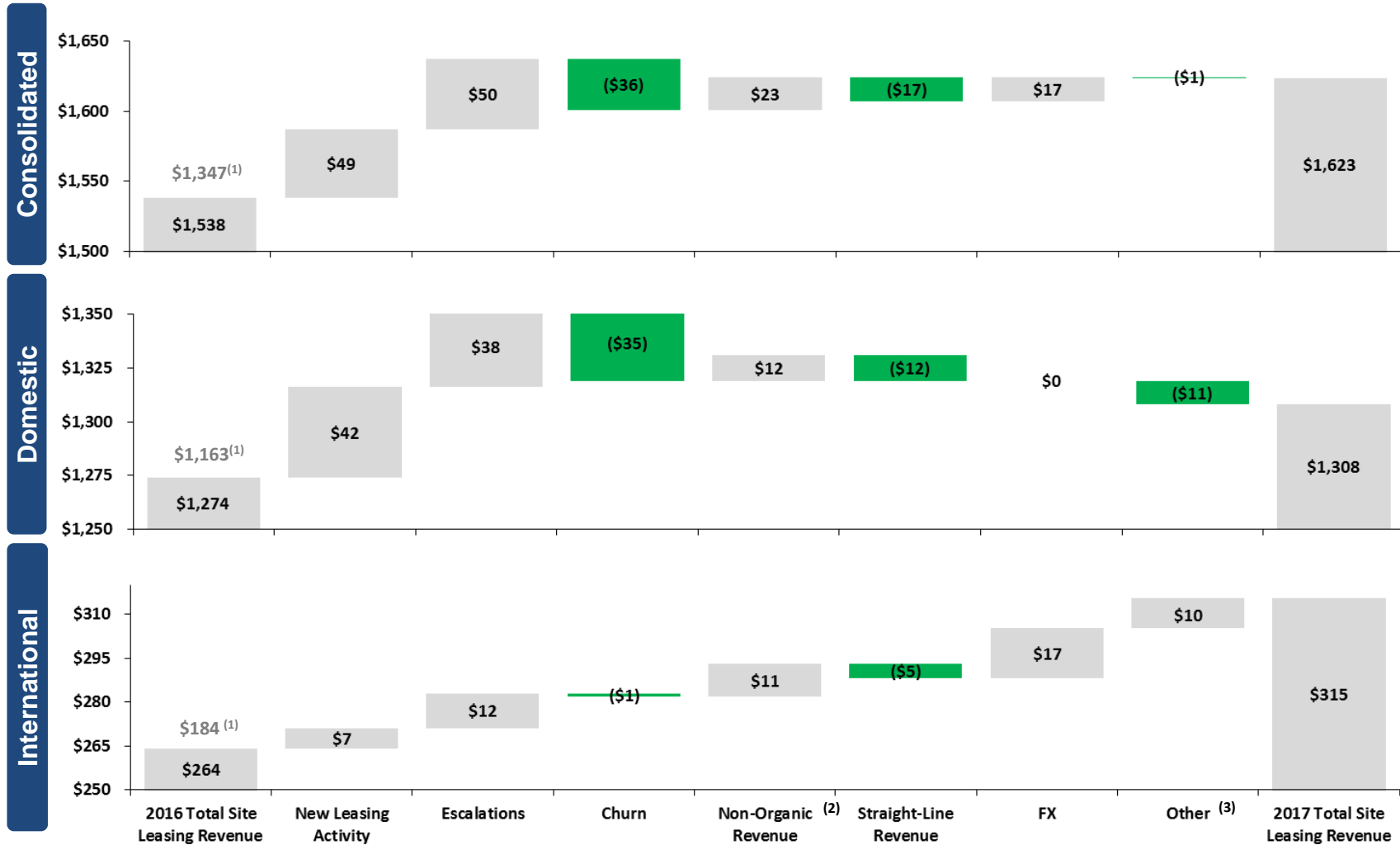


Bridge of 2017 Total Site Leasing Revenue to 2018 Guidance (\$M)



1. Represents core recurring cash leasing revenue (a non-GAAP metric), which is the basis for our calculated same tower organic growth and churn rates
2. Includes contributions from acquisitions and new infrastructure builds
3. Includes pass-through reimbursable expenses, amortization of capital contributions for tower augmentations, managed and non-macro business and other miscellaneous items
4. Based on guidance issued on Feb 26, 2018

Bridge of 2016 Total Site Leasing Revenue to 2017 (\$M)



■ Indicates a reduction in total site leasing revenue

1. Represents core recurring cash leasing revenue (a non-GAAP metric), which is the basis for our calculated same tower organic growth and churn rates
2. Includes contributions from acquisitions and new infrastructure builds
3. Includes pass-through reimbursable expenses, amortization of capital contributions for tower augmentations, managed and non-macro business and other miscellaneous items

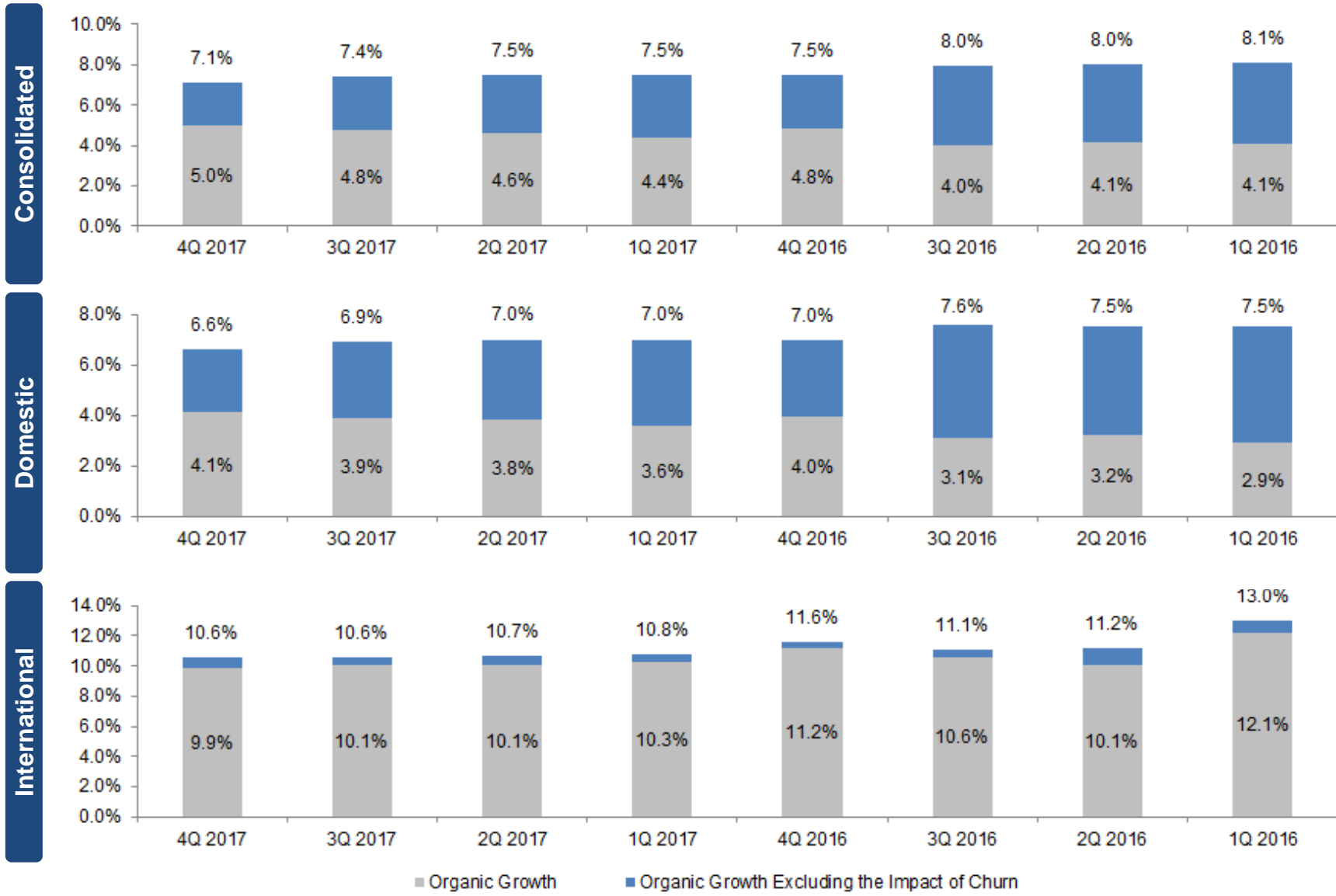
Reconciliation of Site Leasing Revenue to Core Recurring Cash Leasing Revenue



(\$M)	FY 2017			FY 2016		
	Consolidated	Domestic	International	Consolidated	Domestic	International
Total Site Leasing Revenue	\$ 1,623	\$ 1,308	\$ 315	\$ 1,538	\$ 1,274	\$ 264
Less: Straight-Line Revenue	16	1	15	32	13	19
Less: Pass Through Reimbursable Expenses	102	30	72	89	31	58
Less: Amortization of Capital Contributions	35	34	1	37	37	0
Less: Managed and Non-Macro Business	17	16	1	15	14	1
Less: Other Miscellaneous Items ⁽¹⁾	11	8	3	18	16	2
Core Recurring Cash Leasing Revenue	\$ 1,442	\$ 1,219	\$ 223	\$ 1,347	\$ 1,163	\$ 184
% of Total Site Leasing Revenue						
Total Site Leasing Revenue	100%	100%	100%	100%	100%	100%
Less: Straight-Line Revenue	1%	0%	5%	2%	1%	7%
Less: Pass Through Reimbursable Expenses	6%	2%	23%	6%	2%	22%
Less: Amortization of Capital Contributions	2%	3%	0%	2%	3%	0%
Less: Managed and Non-Macro Business	1%	1%	0%	1%	1%	0%
Less: Other Miscellaneous Items ⁽¹⁾	1%	1%	1%	1%	1%	1%
Core Recurring Cash Leasing Revenue	89%	93%	71%	88%	92%	70%

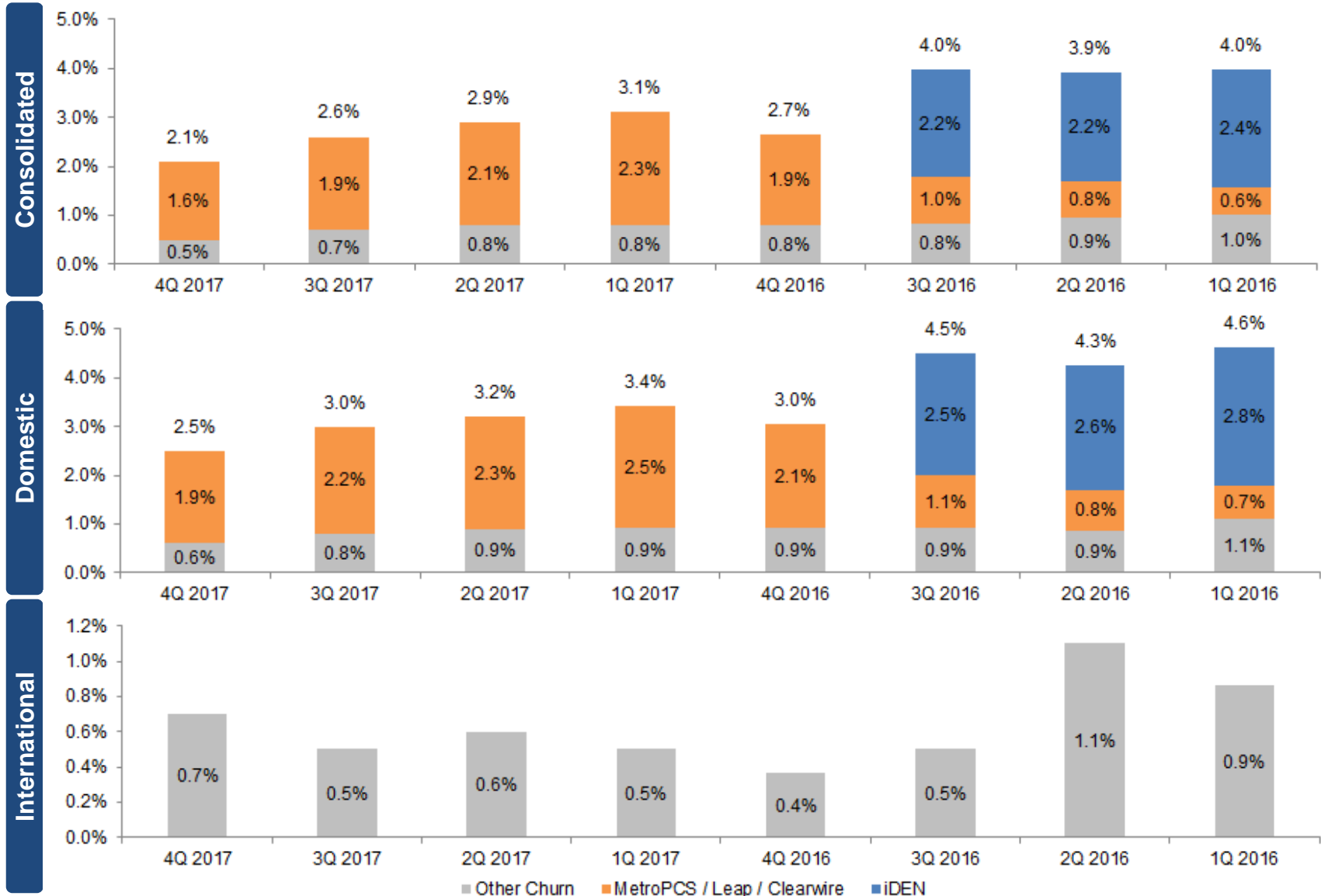
1. Includes items such as out of period billings, cash basis revenues, termination fees and other miscellaneous items

Historical Same Tower Y-o-Y Organic Leasing Revenue Growth Rates (%)⁽¹⁾



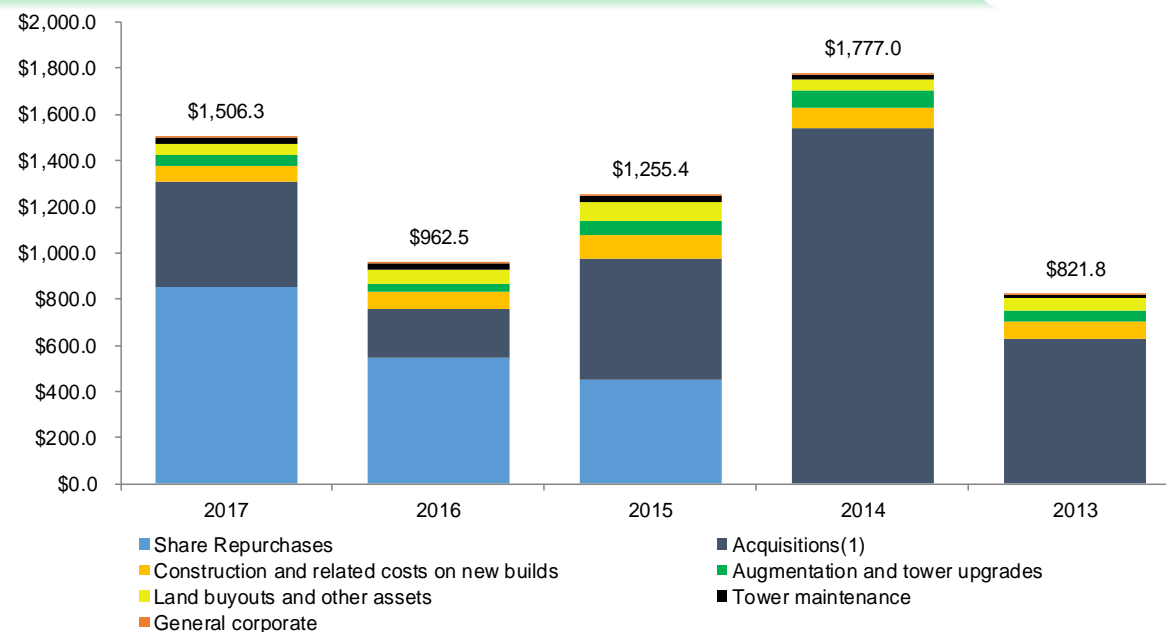
1. Same tower leasing revenue growth calculated only on the population of towers owned for both the current period and the comparable prior year period and a constant currency basis

Historical Same Tower Y-o-Y Revenue Churn Rates (%)⁽¹⁾



1. Same tower revenue churn calculated only on the population of towers owned for both the current period and the comparable prior year period

Historical Capital Allocation (\$M)



(\$M)	2017	2016	2015	2014	2013
Share Repurchases	\$854.5	\$545.7	\$450.1	\$0.0	\$0.0
Acquisitions ⁽¹⁾	456.2	214.7	525.8	1,540.3	628.4
Construction and related costs on new builds	68.8	69.4	100.7	92.2	77.4
Augmentation and tower upgrades	43.0	38.1	61.4	72.3	48.0
Land buyouts and other assets	48.6	62.1	83.7	45.0	49.0
Tower maintenance	30.1	27.7	28.6	20.0	12.9
General corporate	5.1	4.7	5.0	7.2	6.1
Total Capital Allocation⁽²⁾	\$1,506.3	\$962.5	\$1,255.4	\$1,777.0	\$821.8
Period End Leverage Ratio⁽³⁾	7.5x	7.6x	7.7x	7.3x	6.8x

- 2017 includes \$63m of acquisition consideration paid in the form of common stock
 - Excludes 2014 purchase and refurbishment of headquarters building
 - Defined as net debt divided by Annualized Adjusted EBITDA (see pages 35 and 36 for reconciliation of these non-GAAP metrics)
- Note: Historical activity is not necessarily indicative of future capital allocation and totals may not add up due to rounding

The following is a list of significant customers and the percentage of total segment revenue for the specified time periods derived from such customers.

Percentage of Domestic Site Leasing Revenue

For the three months ended

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
AT&T Wireless	32.5%	32.8%	32.9%	32.7%	32.8%	32.7%	32.8%	32.4%
T-Mobile	20.0%	19.9%	19.6%	19.4%	19.6%	19.8%	19.7%	19.6%
Verizon Wireless	19.1%	19.1%	19.1%	19.0%	18.6%	18.2%	18.1%	17.9%
Sprint	19.0%	18.7%	18.8%	19.2%	19.3%	19.7%	19.7%	19.9%

Percentage of International Site Leasing Revenue

For the three months ended

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Oi S.A.	41.1%	42.0%	42.6%	43.2%	43.5%	44.2%	45.3%	42.7%
Telefonica	26.2%	26.1%	25.4%	25.3%	26.4%	26.3%	25.6%	27.2%
America Movil	10.3%	9.9%	10.1%	9.7%	9.4%	9.3%	11.0%	9.6%

Selected Foreign Currency Exposure



The following is a summary of the percentage of Total Cash Site Leasing Revenue generated in non-U.S. dollars by currency.

	For the three months ended							
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Brazilian Real ⁽¹⁾	12.7%	12.8%	12.8%	12.6%	11.5%	11.3%	10.8%	9.6%
Brazilian Real ⁽²⁾	9.0%	9.0%	9.1%	8.8%	7.9%	7.9%	7.5%	6.6%
Canadian Dollar ⁽¹⁾	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%
Other ^{(1) (3)}	0.4%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%

1. Defined as (A) the USD equivalent of Total Cash Site Leasing Revenue generated in functional currency divided by (B) Consolidated Total Cash site leasing revenue
2. Defined as (A) the USD equivalent of Total Cash Site Leasing Revenue generated in Brazilian Real minus pass through reimbursable expenses generated in Brazilian Real divided by (B) Consolidated Total Cash site leasing revenue minus Consolidated pass through reimbursable expenses
3. Other includes the contribution from revenues denominated in Chilean Pesos, Peruvian Soles, Colombian Pesos, and Argentinean Pesos

Note: All contributions from individual countries that are less than 0.4% of total cash site leasing revenue will be combined on the line labeled "Other"

Pass Through Reimbursable Expenses



The following is a summary of pass through reimbursable expenses which are associated with site leasing revenue.

For the three months ended

	<u>12/31/2017</u>	<u>9/30/2017</u>	<u>6/30/2017</u>	<u>3/31/2017</u>	<u>12/31/2016</u>	<u>9/30/2016</u>	<u>6/30/2016</u>	<u>3/31/2016</u>
	<i>(in thousands)</i>							
Domestic	\$ 7,616	\$ 7,442	\$ 7,752	\$ 7,557	\$ 7,425	\$ 7,853	\$ 7,847	\$ 7,659
International	18,577	18,481	17,380	17,656	15,843	14,988	14,374	12,531
Total	<u>\$ 26,193</u>	<u>\$ 25,923</u>	<u>\$ 25,132</u>	<u>\$ 25,213</u>	<u>\$ 23,268</u>	<u>\$ 22,841</u>	<u>\$ 22,221</u>	<u>\$ 20,190</u>

Tower Cash Flow Margin and Adjusted EBITDA Margin Excluding Pass Through Reimbursable Expenses



Tower Cash Flow Margin and Adjusted EBITDA Margin excluding pass through reimbursable expenses which are associated with site leasing revenue are non-GAAP measures that we believe provide investors information indicative of the Company's operating efficiency excluding the impact of fully reimbursable expenses.

	For the three months ended							
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Tower Cash Flow Margin ⁽¹⁾	85.2%	85.0%	84.9%	84.8%	84.8%	84.6%	84.5%	84.3%
Adjusted EBITDA Margin ⁽²⁾	75.1%	75.1%	75.1%	74.1%	74.3%	74.3%	69.9%	74.1%
Adjusted EBITDA Margin net of the Oi reserve ⁽³⁾	75.1%	75.1%	75.1%	74.1%	74.3%	74.3%	74.3%	74.1%

1. Defined as (A) Tower Cash Flow divided by (B) Cash site leasing revenue minus revenue from pass through reimbursable expenses (see page 23 for a reconciliation)
2. Defined as (A) Adjusted EBITDA divided by (B) Total revenues minus non-cash straight-line leasing revenue minus revenue from pass through reimbursable expenses (see page 27 for a reconciliation)
3. Defined as (A) Adjusted EBITDA net of the Oi reserve divided by (B) Total revenues minus non-cash straight-line leasing revenue minus revenue from pass through reimbursable expenses (see page 27 for a reconciliation)

Amortization of Capital Contributions



The following is a summary of amortization of capital contributions for tower augmentations as leasing revenue.

	For the three months ended							
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	<i>(in thousands)</i>							
Total	\$ 9,019	\$ 8,442	\$ 8,773	\$ 8,521	\$ 8,663	\$ 9,059	\$ 9,507	\$ 9,843

Return on Invested Capital (ROIC)



	2017	2016	2015	2014	2013
	<i>(in thousands)</i>				
Adjusted EBITDA	\$ 1,204,134	\$ 1,122,993 ⁽¹⁾	\$ 1,094,777	\$ 998,754	\$ 797,169
Less: Cash taxes	(17,987)	(11,299)	(8,617)	(7,401)	(6,011)
Numerator	\$ 1,186,147	\$ 1,111,694	\$ 1,086,160	\$ 991,353	\$ 791,158
Historical Gross Property and Equipment	\$ 5,795,636	\$ 5,490,325	\$ 5,179,356	\$ 4,842,784	\$ 4,363,339
Historical Gross Intangibles	6,090,555	5,761,678	5,435,396	5,510,211	4,372,947
Denominator	\$ 11,886,191	\$ 11,252,003	\$ 10,614,752	\$ 10,352,995	\$ 8,736,286
Return on Invested Capital	10.0%	9.9%	10.2%	9.6%	9.1%

Note: Excludes returns on stock repurchases

1. Excludes the Oi reserve (see page 28 for a reconciliation)

Non-Cash Straight Line Summary



For the year ended December 31,

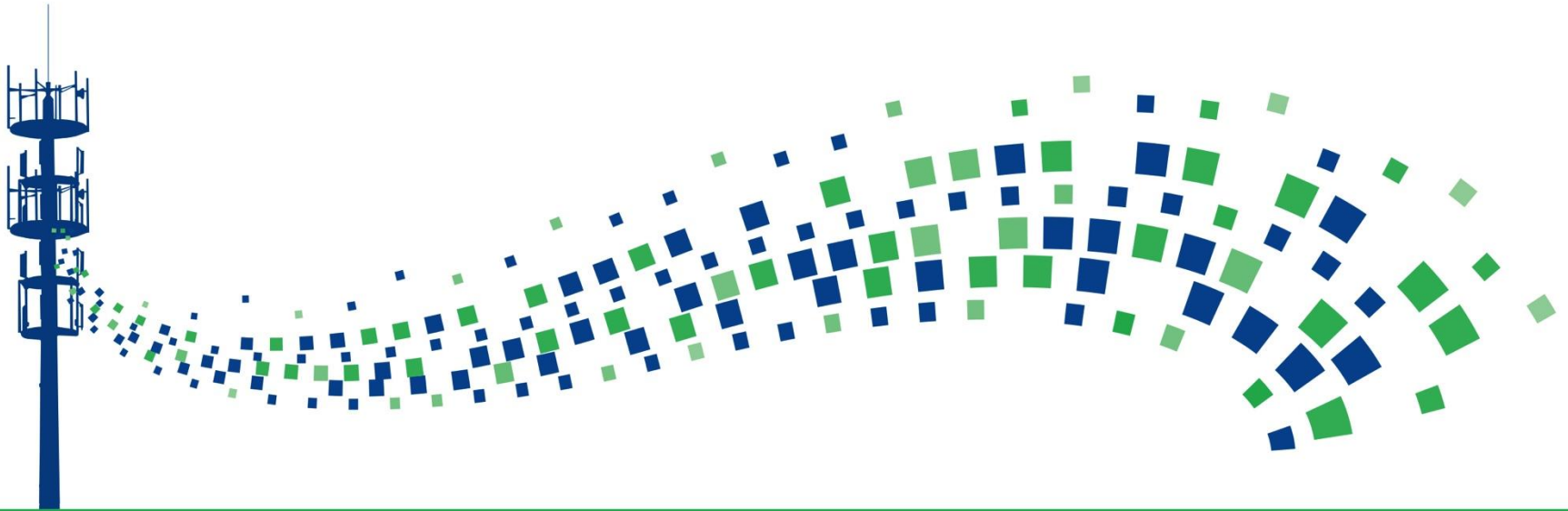
	2019E ⁽¹⁾	2018E ⁽¹⁾	2017	2016	2015	2014	2013
	<i>(in thousands)</i>						
<u>Consolidated</u>							
Non-cash straight-line revenue ⁽²⁾	\$ (2,000)	\$ 21,500	\$ 16,419	\$ 31,650	\$ 49,064	\$ 56,867	\$ 65,611
Non-cash straight-line ground lease expense ⁽³⁾	21,000	24,500	30,864	34,705	34,202	36,303	33,686
<u>Domestic</u>							
Non-cash straight-line revenue ⁽²⁾	\$ (4,500)	\$ 12,500	\$ 928	\$ 12,461	\$ 26,079	\$ 32,812	\$ 58,479
Non-cash straight-line ground lease expense ⁽³⁾	19,500	23,000	27,117	31,055	30,551	32,027	29,369
<u>International</u>							
Non-cash straight-line revenue ⁽²⁾	\$ 2,500	\$ 9,000	\$ 15,492	\$ 19,189	\$ 22,985	\$ 24,055	\$ 7,132
Non-cash straight-line ground lease expense ⁽³⁾	1,500	1,500	3,747	3,650	3,651	4,276	4,316

1. Translated at foreign currency exchange rates based on guidance issued Feb 26, 2018
2. Non-cash straight-line revenue represents the difference between the revenue that we are required to recognize in accordance with GAAP for the period presented and the cash that we receive under the relevant lease for the period presented. For purposes of calculating the 2018 projections above, we assume only those escalators that are currently in place. For a more detailed discussion of our revenue recognition policy, please review our "Critical Accounting Policies" in our Form 10-K.
3. Non-cash straight-line ground lease expense represents the difference between the ground lease expense that we are required to recognize in accordance with GAAP for the period presented and the cash that we actually pay under the relevant ground lease for the period presented. For purposes of calculating the 2018 projections above, we assume only those escalators that are currently in place. For a more detailed discussion of our revenue recognition policy, please review our "Critical Accounting Policies" in our Form 10-K.

Segment Operating Profit and Segment Operating Profit Margin for the Three Months are as follows:

	<u>Domestic Site Leasing</u>		<u>Int'l Site Leasing</u>		<u>Total Site Leasing</u>		<u>Site Development</u>	
	<u>For the three months ended December 31,</u>		<u>For the three months ended December 31,</u>		<u>For the three months ended December 31,</u>		<u>For the three months ended December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<i>(in thousands)</i>							
Segment revenue	\$ 333,539	\$ 322,685	\$ 80,545	\$ 70,924	\$ 414,084	\$ 393,609	\$ 28,989	\$ 22,896
Segment cost of revenues (excluding depreciation, accretion, and amortization)	(64,922)	(64,913)	(25,535)	(21,693)	(90,457)	(86,606)	(24,073)	(19,661)
Segment operating profit	\$ 268,617	\$ 257,772	\$ 55,010	\$ 49,231	\$ 323,627	\$ 307,003	\$ 4,916	\$ 3,235
Segment operating profit margin	80.5%	79.9%	68.3%	69.4%	78.2%	78.0%	17.0%	14.1%

Appendix of Non-GAAP Reconciliations



Constant Currency Measures



We eliminate the impact of changes in foreign currency exchange rates for each of the following financial metrics (collectively, our “Constant Currency Measures”) by dividing the current period’s financial results by the average monthly exchange rates of the prior year period, as well as by eliminating the impact of the remeasurement of our intercompany loan. The table below provides the reconciliation of the reported growth rate year-over-year, of each of the measures included in the table, to the growth rate after eliminating the impact of changes in foreign currency exchange rates to such measure.

We believe that our Constant Currency Measures provide management and investors the ability to evaluate the performance of the business without the impact of foreign exchange fluctuations.

	Fourth quarter 2017 year over year growth rate	Foreign currency impact	Growth excluding foreign currency impact
Total site leasing revenue	5.2%	0.3%	4.9%
Total cash site leasing revenue	6.0%	0.3%	5.7%
Int'l cash site leasing revenue	16.6%	1.6%	15.0%
Total site leasing segment oper. profit	5.4%	0.2%	5.2%
Int'l site leasing segment oper. profit	11.7%	1.4%	10.3%
Total site leasing tower cash flow	6.0%	0.2%	5.8%
Int'l site leasing tower cash flow	15.7%	1.5%	14.2%
Net income	45.3%	(385.9%)	431.2%
Earnings per share - diluted	50.0%	(425.0%)	475.0%
Adjusted EBITDA	8.0%	0.2%	7.8%
AFFO	5.2%	0.3%	4.9%
AFFO per share	9.2%	0.0%	9.2%

Cash Site Leasing Revenue, Tower Cash Flow and Tower Cash Flow Margin



Cash Site Leasing Revenue is defined as site leasing revenue less non-cash straight-line site leasing revenue. Tower Cash Flow is defined as Cash Site Leasing Revenue less site leasing cost of revenues net of non-cash straight-line ground lease expense and Tower Cash Flow Margin is defined as Tower Cash Flow divided by Cash Site Leasing Revenue. We discuss these non-GAAP financial measures because we believe these items are indicators of performance of our site leasing operations. In addition, Tower Cash Flow is a component of the calculation used by our lenders to determine compliance with certain covenants under our Senior Credit Agreement. Neither Cash Site Leasing Revenue, Tower Cash Flow nor Tower Cash Flow Margin are intended to be alternative measures of site leasing gross profit nor of site leasing gross profit margin as determined in accordance with GAAP.

The quarterly reconciliation of Cash Site Leasing Revenue and Tower Cash Flow and the calculation of Tower Cash Flow Margin is as follows:

	<u>Domestic Site Leasing</u>		<u>Int'l Site Leasing</u>		<u>Total Site Leasing</u>	
	<u>For the three months ended December 31,</u>		<u>For the three months ended December 31,</u>		<u>For the three months ended December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<i>(in thousands)</i>					
Site leasing revenue	\$ 333,539	\$ 322,685	\$ 80,545	\$ 70,924	\$ 414,084	\$ 393,609
Non-cash straight-line leasing revenue	(669)	(2,033)	(3,311)	(4,662)	(3,980)	(6,695)
Cash site leasing revenue	332,870	320,652	77,234	66,262	410,104	386,914
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(64,922)	(64,913)	(25,535)	(21,693)	(90,457)	(86,606)
Non-cash straight-line ground lease expense	6,439	7,152	950	945	7,389	8,097
Tower Cash Flow	\$ 274,387	\$ 262,891	\$ 52,649	\$ 45,514	\$ 327,036	\$ 308,405
Tower Cash Flow Margin	82.4%	82.0%	68.2%	68.7%	79.7%	79.7%

Cash Site Leasing Revenue, Tower Cash Flow and Tower Cash Flow Margin



The quarterly reconciliation of Cash Site Leasing Revenue and Tower Cash Flow and the calculation of Tower Cash Flow Margin is as follows:

	Domestic							
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	(in thousands)							
Site leasing revenue	\$ 333,539	\$ 328,395	\$ 325,324	\$ 321,130	\$ 322,685	\$ 319,109	\$ 316,842	\$ 315,230
Non-cash straight-line leasing revenue	(669)	(503)	(290)	535	(2,033)	(2,280)	(4,069)	(4,079)
Cash site leasing revenue	332,870	327,892	325,034	321,665	320,652	316,829	312,773	311,151
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(64,922)	(65,226)	(65,251)	(65,427)	(64,913)	(65,353)	(66,199)	(64,475)
Non-cash straight-line ground lease expense	6,439	6,774	6,753	7,144	7,152	7,420	8,866	7,624
Tower Cash Flow	\$ 274,387	\$ 269,440	\$ 266,536	\$ 263,382	\$ 262,891	\$ 258,896	\$ 255,440	\$ 254,300
Tower Cash Flow Margin	82.4%	82.2%	82.0%	81.9%	82.0%	81.7%	81.7%	81.7%
Pass-through reimbursable expenses	\$ 7,616	\$ 7,442	\$ 7,752	\$ 7,557	\$ 7,425	\$ 7,853	\$ 7,847	\$ 7,659
Cash site leasing revenues minus pass-through reimbursable expenses	\$ 325,254	\$ 320,450	\$ 317,282	\$ 314,108	\$ 313,227	\$ 308,976	\$ 304,926	\$ 303,492
Tower Cash Flow Margin minus pass-through reimbursable expenses	84.4%	84.1%	84.0%	83.9%	83.9%	83.8%	83.8%	83.8%

Cash Site Leasing Revenue, Tower Cash Flow and Tower Cash Flow Margin



The quarterly reconciliation of Cash Site Leasing Revenue and Tower Cash Flow and the calculation of Tower Cash Flow Margin is as follows:

	International							
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	(in thousands)							
Site leasing revenue	\$ 80,545	\$ 80,143	\$ 77,677	\$ 76,420	\$ 70,924	\$ 69,059	\$ 65,001	\$ 59,220
Non-cash straight-line leasing revenue	(3,311)	(3,873)	(3,835)	(4,474)	(4,662)	(5,054)	(4,706)	(4,768)
Cash site leasing revenue	77,234	76,270	73,842	71,946	66,262	64,005	60,295	54,452
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(25,535)	(25,125)	(24,086)	(23,955)	(21,693)	(21,001)	(20,294)	(18,287)
Non-cash straight-line ground lease expense	950	924	940	926	945	903	928	870
Tower Cash Flow	\$ 52,649	\$ 52,069	\$ 50,696	\$ 48,917	\$ 45,514	\$ 43,907	\$ 40,929	\$ 37,035
Tower Cash Flow Margin	68.2%	68.3%	68.7%	68.0%	68.7%	68.6%	67.9%	68.0%
Pass-through reimbursable expenses	\$ 18,577	\$ 18,481	\$ 17,380	\$ 17,656	\$ 15,843	\$ 14,988	\$ 14,374	\$ 12,531
Cash site leasing revenues minus pass-through reimbursable expenses	\$ 58,657	\$ 57,789	\$ 56,462	\$ 54,290	\$ 50,419	\$ 49,017	\$ 45,921	\$ 41,921
Tower Cash Flow Margin minus pass-through reimbursable expenses	89.8%	90.1%	89.8%	90.1%	90.3%	89.6%	89.1%	88.3%

Cash Site Leasing Revenue, Tower Cash Flow and Tower Cash Flow Margin



The quarterly reconciliation of Cash Site Leasing Revenue and Tower Cash Flow and the calculation of Tower Cash Flow Margin is as follows:

	Consolidated							
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	(in thousands)							
Site leasing revenue	\$ 414,084	\$ 408,538	\$ 403,001	\$ 397,550	\$ 393,609	\$ 388,168	\$ 381,843	\$ 374,450
Non-cash straight-line leasing revenue	(3,980)	(4,376)	(4,125)	(3,939)	(6,695)	(7,334)	(8,775)	(8,847)
Cash site leasing revenue	410,104	404,162	398,876	393,611	386,914	380,834	373,068	365,603
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(90,457)	(90,351)	(89,337)	(89,382)	(86,606)	(86,354)	(86,493)	(82,762)
Non-cash straight-line ground lease expense	7,389	7,698	7,693	8,070	8,097	8,323	9,794	8,494
Tower Cash Flow	\$ 327,036	\$ 321,509	\$ 317,232	\$ 312,299	\$ 308,405	\$ 302,803	\$ 296,369	\$ 291,335
Tower Cash Flow Margin	79.7%	79.5%	79.5%	79.3%	79.7%	79.5%	79.4%	79.7%
Pass-through reimbursable expenses	\$ 26,193	\$ 25,923	\$ 25,132	\$ 25,213	\$ 23,268	\$ 22,841	\$ 22,221	\$ 20,190
Cash site leasing revenues minus pass-through reimbursable expenses	\$ 383,911	\$ 378,239	\$ 373,744	\$ 368,398	\$ 363,646	\$ 357,993	\$ 350,847	\$ 345,413
Tower Cash Flow Margin minus pass-through reimbursable expenses	85.2%	85.0%	84.9%	84.8%	84.8%	84.6%	84.5%	84.3%

The annual reconciliation of Tower Cash Flow is as follows:

	For the year ended				
	December 31				
	2017	2016	2015	2014	2013
	<i>(in thousands)</i>				
Site leasing revenue	\$ 1,623,173	\$ 1,538,070	\$ 1,480,634	\$ 1,360,202	\$ 1,133,013
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(359,527)	(342,215)	(324,655)	(301,313)	(270,772)
Site Leasing Segment Operating Profit	\$ 1,263,646	\$ 1,195,855	\$ 1,155,979	\$ 1,058,889	\$ 862,241
Non-cash straight-line leasing revenue	(16,419)	(31,650)	(49,064)	(56,866)	(65,611)
Non-cash straight-line ground lease expense	30,850	34,708	34,204	36,271	33,621
Tower Cash Flow	\$ 1,278,077	\$ 1,198,913	\$ 1,141,119	\$ 1,038,294	\$ 830,251

Note: Annual numbers may not add up due to rounding

Adjusted EBITDA, Annualized Adjusted EBITDA and Adjusted EBITDA Margin



Adjusted EBITDA is defined as net income (loss) excluding the impact of interest expense, interest income, provision for or benefit from taxes, depreciation, accretion and amortization, asset impairment and decommission costs, non-cash compensation, loss/(gain) from extinguishment of debt, net, other (income) and expense, acquisition related adjustments and expenses, income from discontinued operations, non-cash straight-line leasing revenue, and non-cash straight-line ground lease expense. Adjusted EBITDA excludes acquisition related costs which, pursuant to the adoption of new business combination accounting guidance, are expensed and included within operating expenses. Annualized Adjusted EBITDA is calculated as Adjusted EBITDA for the most recent quarter multiplied by four. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by the difference of total revenue minus non-cash straight-line leasing revenue.

Adjusted EBITDA is useful to investors or other interested parties in evaluating our financial performance. Adjusted EBITDA is the primary measure used by management (1) to evaluate the economic productivity of our operations and (2) for purposes of making decisions about allocating resources to, and assessing the performance of, our operations. Management believes that Adjusted EBITDA helps investors or other interested parties meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors, by excluding the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our financial results. Management also believes Adjusted EBITDA is frequently used by investors or other interested parties in the evaluation of REITs. In addition, Adjusted EBITDA is similar to the measure of current financial performance generally used in our debt covenant calculations. Adjusted EBITDA should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

Adjusted EBITDA and Annualized Adjusted EBITDA



The quarterly reconciliation of Adjusted EBITDA and the calculation of Annualized Adjusted EBITDA are as follows:

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	<i>(in thousands)</i>							
Net income (loss)	\$ 7,660	\$ 49,161	\$ 9,233	\$ 37,598	\$ 5,256	\$ (15,370)	\$ 32,711	\$ 53,639
Non-cash straight-line leasing revenue	(3,979)	(4,376)	(4,125)	(3,939)	(6,695)	(7,334)	(8,775)	(8,847)
Non-cash straight-line ground lease expense	7,389	7,698	7,693	8,070	8,097	8,323	9,794	8,494
Non-cash compensation	9,355	9,423	10,194	9,277	8,163	8,076	8,893	7,785
Loss from extinguishment of debt, net	—	—	1,961	—	18,189	34,512	—	—
Other (income) / expense	18,636	(20,062)	18,793	(14,948)	(2,139)	1,139	(47,376)	(45,900)
Acquisition related adjustments and expenses	5,510	1,583	2,306	2,969	4,167	2,970	2,821	3,182
Asset impairment and decommission costs	10,789	9,417	8,140	8,351	7,063	2,305	14,691	6,183
Interest income	(2,689)	(2,505)	(2,909)	(3,234)	(3,224)	(3,101)	(2,737)	(1,866)
Total interest expense ⁽¹⁾	92,403	87,039	84,122	85,005	84,063	89,456	89,467	89,524
Depreciation, accretion and amortization	162,643	161,907	159,520	159,031	158,554	160,111	159,723	159,801
Provision for taxes ⁽²⁾	2,347	3,835	3,857	3,986	5,523	2,123	2,402	2,660
Adjusted EBITDA	\$ 310,064	\$ 303,120	\$ 298,785	\$ 292,166	\$ 287,017	\$ 283,210	\$ 261,614	\$ 274,655
Annualized Adjusted EBITDA ⁽³⁾	\$ 1,240,256	\$ 1,212,480	\$ 1,195,140	\$ 1,168,664	\$ 1,148,068	\$ 1,132,840	\$ 1,046,456	\$ 1,098,620
Oi reserve ⁽⁴⁾	—	—	—	—	—	—	16,498	—
Adjusted EBITDA net of the Oi Reserve	\$ 310,064	\$ 303,120	\$ 298,785	\$ 292,166	\$ 287,017	\$ 283,210	\$ 278,112	\$ 274,655
Annualized Adjusted EBITDA net of the Oi Reserve ⁽³⁾	\$ 1,240,256	\$ 1,212,480	\$ 1,195,140	\$ 1,168,664	\$ 1,148,068	\$ 1,132,840	\$ 1,112,448	\$ 1,098,620

1. Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees
2. These amounts include Franchise and Gross receipt taxes which are reflected in the Statements of Operations in selling, general and administrative expenses
3. Annualized Adjusted EBITDA is calculated as Adjusted EBITDA for the most recent quarter multiplied by four
4. Oi Reserve represents bad debt provision related to amounts owed or potentially owed by Oi as of June 20, 2016, the date Oi filed a petition for judicial reorganization in Brazil

Adjusted EBITDA and Adjusted EBITDA Margin



The quarterly reconciliation of Adjusted EBITDA and the calculation of Adjusted EBITDA Margin is as follows:

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	<i>(in thousands)</i>							
Total revenues	\$443,073	\$433,945	\$427,294	\$423,363	\$416,505	\$411,319	\$405,532	\$399,769
Non-cash straight-line leasing revenue	(3,979)	(4,376)	(4,125)	(3,939)	(6,695)	(7,334)	(8,775)	(8,847)
Total revenues minus non-cash straight-line leasing revenue	\$439,094	\$429,569	\$423,169	\$419,424	\$409,810	\$403,985	\$396,757	\$390,922
Adjusted EBITDA	\$310,064	\$303,120	\$298,785	\$292,166	\$287,017	\$283,210	\$261,614	\$274,655
Oi reserve ⁽¹⁾	—	—	—	—	—	—	16,498	—
Adjusted EBITDA net of the Oi Reserve	\$310,064	\$303,120	\$298,785	\$292,166	\$287,017	\$283,210	\$278,112	\$274,655
Adjusted EBITDA Margin	70.6%	70.6%	70.6%	69.7%	70.0%	70.1%	65.9%	70.3%
Adjusted EBITDA Margin, net of the Oi Reserve	70.6%	70.6%	70.6%	69.7%	70.0%	70.1%	70.1%	70.3%
Pass-through reimbursable expenses	\$26,193	\$25,923	\$25,132	\$25,213	\$23,268	\$22,841	\$22,221	\$20,190
Total revenues minus non-cash straight-line leasing revenue minus pass-through reimbursable expenses	\$412,901	\$403,646	\$398,038	\$394,211	\$386,542	\$381,144	\$374,536	\$370,732
Adjusted EBITDA Margin minus pass-through reimbursable expenses	75.1%	75.1%	75.1%	74.1%	74.3%	74.3%	69.9%	74.1%
Adjusted EBITDA Margin minus pass-through reimbursable expenses, net of the Oi Reserve	75.1%	75.1%	75.1%	74.1%	74.3%	74.3%	74.3%	74.1%

1. Oi Reserve represents bad debt provision related to amounts owed or potentially owed by Oi as of June 20, 2016, the date Oi filed a petition for judicial reorganization in Brazil

Adjusted EBITDA and Adjusted EBITDA Margin



The annual reconciliation of Adjusted EBITDA is as follows:

	For the year ended				
	December 31,				
	2017	2016	2015	2014	2013
	<i>(in thousands)</i>				
Net income (loss)	\$ 103,654	\$ 76,238	\$ (175,656)	\$ (24,295)	\$ (55,909)
Non-cash straight-line leasing revenue	(16,419)	(31,650)	(49,064)	(56,867)	(65,611)
Non-cash straight-line ground lease expense	30,850	34,708	34,204	36,271	33,621
Non-cash compensation	38,249	32,915	28,748	22,671	17,205
Loss from extinguishment of debt, net	1,961	52,701	783	26,204	6,099
Other (income) / expense	2,418	(94,278)	139,137	(10,628)	(31,138)
Acquisition related adjustments and expenses	12,367	13,140	11,864	7,798	19,198
Asset impairment and decommission costs	36,697	30,242	94,783	23,801	28,960
Interest income	(11,337)	(10,928)	(3,894)	(677)	(1,794)
Total interest expense ⁽¹⁾	348,568	352,510	343,025	337,284	313,696
Depreciation, accretion and amortization	643,100	638,189	660,021	627,072	533,334
Provision for taxes	14,026	12,708	10,827	10,120	(492)
Income from discontinued operations	—	—	—	—	—
Adjusted EBITDA	\$1,204,134	\$1,106,495	\$1,094,777	\$ 998,754	\$ 797,169
Oi Reserve		16,498	—	—	—
Adjusted EBITDA net of the Oi Reserve	\$1,204,134	\$1,122,993	\$1,094,777	\$ 998,754	\$ 797,169

Note: Annual numbers may not add up due to rounding

1. Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees

Adjusted EBITDA and Adjusted EBITDA Margin



The quarterly reconciliation of Adjusted EBITDA and the calculation of Annualized Adjusted EBITDA are as follows:

	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
	<i>(in thousands)</i>				
Net income (loss)	\$ 7,660	\$ 5,256	\$ 31,019	\$ 388	\$ (19,164)
Non-cash straight-line leasing revenue	(3,979)	(6,695)	(9,963)	(14,133)	(14,721)
Non-cash straight-line ground lease expense	7,389	8,097	8,410	8,901	6,635
Non-cash compensation	9,355	8,163	6,845	5,440	4,195
Loss from extinguishment of debt, net	—	18,189	783	1,124	336
Other (income) / expense	18,636	(2,139)	(39,572)	9,758	3,736
Acquisition related adjustments and expenses	5,510	4,167	4,380	(2,930)	7,821
Asset impairment and decommission costs	10,789	7,063	20,598	10,247	12,555
Interest income	(2,689)	(3,224)	(1,610)	(249)	(182)
Total interest expense ⁽¹⁾	92,403	84,063	89,561	81,644	77,469
Depreciation, accretion and amortization	162,643	158,554	161,461	162,214	133,328
Provision for taxes ⁽²⁾	2,347	5,523	2,411	4,288	(2,628)
Adjusted EBITDA	\$ 310,064	\$ 287,017	\$ 274,323	\$ 266,692	\$ 209,380
Annualized Adjusted EBITDA ⁽³⁾	\$1,240,256	\$1,148,068	\$1,097,292	\$1,066,768	\$ 837,520

1. Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees
2. These amounts include Franchise and Gross receipt taxes which are reflected in the Statements of Operations in selling, general and administrative expenses
3. Annualized Adjusted EBITDA is calculated as Adjusted EBITDA for the most recent quarter multiplied by four

Adjusted EBITDA and Adjusted EBITDA Margin



The annual calculation of Adjusted EBITDA Margin is as follows:

	For the year ended December 31,				
	2017	2016	2015	2014	2013
	<i>(in thousands)</i>				
Total revenues	\$1,727,674	\$1,633,125	\$1,638,474	\$1,526,996	\$ 1,304,866
Non-cash straight-line leasing revenue	(16,419)	(31,650)	(49,064)	(56,867)	(65,611)
Total revenues minus non-cash straight-line leasing revenue	\$1,711,255	\$1,601,475	\$1,589,410	\$1,470,131	\$ 1,239,255
Adjusted EBITDA	\$1,204,134	\$1,106,495	\$1,094,777	\$ 998,754	\$ 797,169
Adjusted EBITDA Margin	70.4%	69.1%	68.9%	67.9%	64.3%

Note: Annual numbers may not add up due to rounding

Funds From Operations, Adjusted Funds From Operations and Adjusted Funds From Operations Per Share



Funds From Operations, or FFO, is defined as net income (loss) plus real estate related depreciation, amortization and accretion. Adjusted Funds From Operations, or AFFO, is defined as FFO adjusted to remove the impact of non-cash straight-line leasing revenue, non-cash straight-line ground lease expense, non-cash compensation, changes in the non-cash portion of our reported tax position, non-real estate related depreciation, amortization and accretion, amortization of deferred financing costs and debt discounts, gain (loss) from extinguishment of debt, net, other (income) and expense, acquisition related adjustments and expenses, asset impairment and decommission costs, and non-discretionary cash capital expenditures. AFFO Per Share is defined as AFFO divided by the weighted number of shares outstanding, adjusted to include the dilutive effect of stock options and restricted stock units.

FFO, AFFO and AFFO per share, which are metrics used by our public company peers in the communication site industry, provide investors useful indicators of the financial performance of our business and permit investors an additional tool to evaluate the performance of our business against those of our two principal competitors. On October 3, 2016, SBA's Board authorized SBA to take the steps necessary to be subject to tax as a REIT commencing with the taxable year ending December 31, 2016. We believe that we are operating in a manner that complies with the REIT rules as of January 1, 2016. As a result, we have updated our definition of FFO. Under the revised definition, FFO no longer includes an adjustment to reflect our estimate of our cash taxes had we been a REIT. However, AFFO continues to exclude the non-cash portion of our reported tax provision. We refer to the prior definition as FFO, as previously defined. FFO, AFFO, and AFFO per share are also used to address questions we receive from analysts and investors who routinely assess our operating performance on the basis of these performance measures, which are considered industry standards. We believe that FFO helps investors or other interested parties meaningfully evaluate financial performance by excluding the impact of our asset base (primarily depreciation, amortization and accretion). We believe that AFFO and AFFO per share help investors or other interested parties meaningfully evaluate our financial performance as they include (1) the impact of our capital structure (primarily interest expense on our outstanding debt) and (2) sustaining capital expenditures and exclude the impact of our (1) asset base (primarily depreciation, amortization and accretion) and (2) certain non-cash items, including straight-lined revenues and expenses related to fixed escalations and rent free periods. GAAP requires rental revenues and expenses related to leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. In accordance with GAAP, if payment terms call for fixed escalations, or rent free periods, the revenue or expense is recognized on a straight-lined basis over the fixed, non-cancelable term of the contract. We only use AFFO as a performance measure. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance and should not be considered as an alternative to cash flows from operations or as residual cash flow available for discretionary investment. We believe our definition of FFO is consistent with how that term is defined by the National Association of Real Estate Investment Trusts ("NAREIT") and that our definition and use of AFFO and AFFO per share is consistent with those reported by the other communication site companies.

Funds From Operations, Adjusted Funds From Operations and Adjusted Funds From Operations Per Share



The annual calculation of Funds From Operations, Adjusted Funds From Operations and Adjusted Funds From Operations Per Share is as follows:

	<u>For the year ended</u> <u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
	<i>(in thousands)</i>	
Net Income (Loss)	\$ 103,654	\$ 76,238
Real estate related depreciation, amortization, and accretion	639,219	632,985
Adjustments for unconsolidated joint ventures ⁽¹⁾	1,640	—
FFO	<u>\$ 744,513</u>	<u>\$ 709,223</u>
Adjustments to FFO:		
Non-cash straight-line leasing revenue	(16,419)	(31,650)
Non-cash straight-line ground lease expense	30,850	34,708
Non-cash compensation	38,249	32,915
Adjustment for non-cash portion of tax provision ⁽²⁾	(3,961)	1,409
Non-real estate related depreciation, amortization, and accretion	3,882	5,204
Amortization of deferred financing costs and debt discounts	24,819	23,339
Loss from extinguishment of debt, net	1,961	52,701
Other (income) expense	2,418	(94,278)
Acquisition related adjustments and expenses	12,367	13,140
Asset impairment and decommission costs	36,697	30,242
Non-discretionary cash capital expenditures	(35,225)	(32,452)
Adjustments for unconsolidated joint ventures ⁽¹⁾	349	—
AFFO	<u>\$ 840,500</u>	<u>\$ 744,501</u>
Oi reserve		16,498
AFFO net of the Oi reserve	<u>\$ 840,500</u>	<u>\$ 760,999</u>
Weighted average number of common shares ⁽³⁾	<u>121,022</u>	<u>125,144</u>
AFFO per share	<u>\$ 6.95</u>	<u>\$ 5.95</u>
AFFO per share net of the Oi reserve	<u>\$ 6.95</u>	<u>\$ 6.08</u>

Note: Annual numbers may not add up due to rounding

- Adjustments for unconsolidated joint ventures represent (a) with respect to the calculation of FFO, that portion of the joint ventures' depreciation, amortization and accretion to the extent included in our net income and (b) with respect to the calculation of AFFO, that portion of the joint ventures' straight-line leasing revenue and ground lease expense, other (income) expense and acquisition related adjustments and expenses, in each case to the extent included in our net income.
- Removes the non-cash portion of the tax provision for the period specified
- For purposes of the AFFO per share calculation, the basic weighted average number of common shares has been adjusted to include the dilutive effect of stock options and restricted stock units.

Funds From Operations, Adjusted Funds From Operations and Adjusted Funds From Operations Per Share



The quarterly calculation of Funds From Operations, Adjusted Funds From Operations and Adjusted Funds From Operations Per Share is as follows:

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	<i>(in thousands)</i>							
Net income (loss)	\$ 7,660	\$ 49,161	\$ 9,233	\$ 37,598	\$ 5,256	\$ (15,370)	\$ 32,711	\$ 53,639
Real estate related depreciation, amortization and accretion	161,766	160,995	158,521	157,937	157,407	158,863	158,378	158,335
Adjustments for unconsolidated joint ventures ⁽¹⁾	992	260	218	170	—	—	—	—
FFO	\$ 170,418	\$ 210,416	\$ 167,972	\$ 195,705	\$ 162,663	\$ 143,493	\$ 191,089	\$ 211,974
Adjustments to FFO:								
Non-cash straight-line leasing revenue	(3,979)	(4,376)	(4,125)	(3,939)	(6,695)	(7,334)	(8,775)	(8,847)
Non-cash straight-line ground lease expense	7,389	7,698	7,693	8,070	8,097	8,323	9,794	8,494
Non-cash compensation	9,355	9,423	10,194	9,277	8,163	8,076	8,893	7,785
Adjustment for non-cash portion of tax provision ⁽²⁾	(2,740)	(620)	(548)	(53)	2,663	(1,163)	(208)	117
Non-real estate related depreciation, amortization and accretion	877	912	999	1,094	1,147	1,248	1,345	1,466
Amortization of deferred financing costs and debt discounts	6,069	5,682	5,666	7,403	5,805	6,030	5,785	5,720
Loss from extinguishment of debt, net	—	—	1,961	—	18,189	34,512	—	—
Other (income) expense	18,636	(20,062)	18,793	(14,948)	(2,139)	1,139	(47,376)	(45,900)
Acquisition related adjustments and expenses	5,510	1,583	2,306	2,969	4,167	2,970	2,821	3,182
Asset impairment and decommission costs	10,789	9,417	8,140	8,351	7,063	2,305	14,691	6,183
Non-discretionary cash capital expenditures	(10,205)	(9,082)	(8,058)	(7,816)	(7,820)	(8,059)	(8,749)	(7,824)
Adjustments for unconsolidated joint ventures ⁽¹⁾	(343)	260	255	177	—	—	—	—
AFFO	\$ 211,776	\$ 211,251	\$ 211,248	\$ 206,290	\$ 201,303	\$ 191,540	\$ 169,310	\$ 182,350
Oi reserve	—	—	—	—	—	—	16,498	—
AFFO net of the Oi reserve	\$ 211,776	\$ 211,251	\$ 211,248	\$ 206,290	\$ 201,303	\$ 191,540	\$ 185,808	\$ 182,350
Weighted average number of common shares ⁽³⁾								
	118,931	121,026	122,437	121,734	123,307	125,391	125,783	126,124
AFFO per share	\$1.78	\$1.75	\$1.73	\$1.69	\$1.63	\$1.53	\$1.35	\$1.45
AFFO per share net of the Oi reserve	\$1.78	\$1.75	\$1.73	\$1.69	\$1.63	\$1.53	\$1.48	\$1.45

- Adjustments for unconsolidated joint ventures represent (a) with respect to the calculation of FFO, that portion of the joint ventures' depreciation, amortization and accretion to the extent included in our net income and (b) with respect to the calculation of AFFO, that portion of the joint ventures' straight-line leasing revenue and ground lease expense, other (income) expense and acquisition related adjustments and expenses, in each case to the extent included in our net income.
- For Q4 of 2015 through Q2 of 2016, amount adjusts the income tax provision to reflect our estimate of cash income taxes (primarily foreign taxes) that would have been payable had we been a REIT. For Q3 of 2016 through Q4 of 2017, amount removes the non-cash portion of the tax provision for the period specified.
- For purposes of the AFFO per share calculation, the basic weighted average number of common shares has been adjusted to include the dilutive effect of stock options and restricted stock units.

Net Debt, Leverage Ratio and Net Cash Interest Coverage Ratio



Net Debt is defined as the notional principal amount of outstanding debt minus cash and cash equivalents, short-term investments, and short-term restricted cash. Net Secured Debt is defined as the notional principal amount of outstanding secured debt minus cash and cash equivalents, short-term investments, and short-term restricted cash. Under GAAP policies, the notional principal amount of the Company's outstanding debt is not necessarily reflected on the face of the Company's financial statements. Leverage Ratio is defined as Net Debt divided by Annualized Adjusted EBITDA. Secured Leverage Ratio is defined as Net Secured Debt divided by Annualized Adjusted EBITDA. Net cash interest coverage ratio is defined as Adjusted EBITDA divided by Net Cash Interest Expense. We believe that by including the full amount of the notional principal amount due at maturity for purposes of calculating net debt, and, to the extent that such measures are calculated on net debt, by excluding cash and cash equivalents, it will provide investors a more complete understanding of our net debt and leverage position. We have included these non-GAAP financial measures because we believe these items are indicators of our financial condition, and they are used by our lenders to determine compliance with certain covenants under our Senior Credit Agreement, 2014 Senior Notes, 2016 Senior Notes, and 2017 Senior Notes.

The calculations of Net Debt and Leverage Ratio are as follows:

	<u>Dec 31, 2017</u>
	<i>(in thousands)</i>
2013-1C Tower Securities	\$ 425,000
2013-2C Tower Securities	575,000
2013-1D Tower Securities	330,000
2014-1C Tower Securities	920,000
2014-2C Tower Securities	620,000
2015-1C Tower Securities	500,000
2016-1C Tower Securities	700,000
2017-1C Tower Securities	760,000
Revolving Credit Facility	40,000
2014 Term Loan	1,447,500
2015 Term Loan	487,500
Total secured debt	<u>\$ 6,805,000</u>
2014 Senior Notes	750,000
2016 Senior Notes	1,100,000
2017 Senior Notes	750,000
Total unsecured debt	<u>2,600,000</u>
Total debt	<u>\$ 9,405,000</u>
Less: Cash and cash equivalents, short-term investments and short-term restricted cash	<u>(101,937)</u>
Net debt	<u>\$ 9,303,063</u>
Divided by: Annualized Adjusted EBITDA	<u>\$ 1,240,256</u>
Leverage Ratio	<u>7.5x</u>

Net Debt and Leverage Ratio



The quarterly calculations of Net Debt and Leverage Ratio are as follows:

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	<i>(in thousands)</i>							
Total Debt (notional)	\$ 9,405,000	\$9,050,000	\$8,775,000	\$8,760,000	\$8,875,000	\$9,140,000	\$8,575,000	\$8,570,000
Less: Cash and cash equivalents, short-term investments and short-term restricted cash	(101,937)	(170,111)	(194,843)	(162,896)	(183,118)	(717,919)	(159,624)	(129,112)
Net Debt	\$ 9,303,063	\$8,879,889	\$8,580,157	\$8,597,104	\$8,691,882	\$8,422,081	\$8,415,376	\$8,440,888
Divided by: Annualized Adjusted EBITDA	\$ 1,240,256	\$1,212,480	\$1,195,140	\$1,168,664	\$1,148,068	\$1,132,840	\$1,046,456	\$1,098,620
Divided by: Annualized Adjusted EBITDA excluding the Oi reserve	\$ 1,240,256	\$1,212,480	\$1,195,140	\$1,168,664	\$1,148,068	\$1,132,840	\$1,112,448	\$1,098,620
Leverage Ratio	7.5x	7.3x	7.2x	7.4x	7.6x	7.4x	8.0x	7.7x
Leverage Ratio excluding the Oi reserve	7.5x	7.3x	7.2x	7.4x	7.6x	7.4x	7.6x	7.7x

The quarterly calculations of Net Debt and Leverage Ratio are as follows:

	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
	<i>(in thousands)</i>				
Total Debt (notional)	\$ 9,405,000	\$8,875,000	\$8,555,000	\$7,870,000	\$5,910,041
Less: Cash and cash equivalents, short-term investments and short-term restricted cash	(101,937)	(183,118)	(144,098)	(97,511)	(174,863)
Net Debt	\$ 9,303,063	\$8,691,882	\$8,410,902	\$7,772,489	\$5,735,178
Divided by: Annualized Adjusted EBITDA	\$ 1,240,256	\$1,148,068	\$1,097,292	\$1,066,768	\$ 837,520
Leverage Ratio	7.5x	7.6x	7.7x	7.3x	6.8x

Net Cash Interest Coverage Ratio



The quarterly calculation of Net Cash Interest Coverage Ratio is as follows:

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
	<i>(in thousands)</i>							
Adjusted EBITDA	\$ 310,064	\$ 303,120	\$ 298,785	\$ 292,166	\$ 287,017	\$ 283,210	\$ 261,614	\$ 274,655
Adjusted EBITDA net of the Oi reserve	310,064	303,120	298,785	292,166	287,017	283,210	278,112	274,655
Interest expense	86,334	81,357	78,456	77,602	78,258	83,426	83,682	83,804
Interest income	(2,689)	(2,505)	(2,909)	(3,234)	(3,224)	(3,101)	(2,737)	(1,866)
Net cash interest expense	\$ 83,645	\$ 78,852	\$ 75,547	\$ 74,368	\$ 75,034	\$ 80,325	\$ 80,945	\$ 81,938
Net Cash Interest Coverage Ratio	3.7x	3.8x	4.0x	3.9x	3.8x	3.5x	3.2x	3.4x
Net Cash Interest Coverage Ratio net of the Oi reserve	3.7x	3.8x	4.0x	3.9x	3.8x	3.5x	3.4x	3.4x

Net Secured Debt and Secured Leverage Ratio



The calculations of Net Secured Debt and Secured Leverage Ratio are as follows:

	<u>Dec 31, 2017</u> <i>(in thousands)</i>
Total debt ⁽¹⁾	\$ 9,405,000
Less:	
Unsecured debt ⁽¹⁾	<u>(2,600,000)</u>
Secured debt ⁽¹⁾	<u>\$ 6,805,000</u>
Less: Cash and cash equivalents, short-term investments and short-term restricted cash	<u>(101,937)</u>
Net Secured Debt	<u>\$ 6,703,063</u>
Divided by: Annualized Adjusted EBITDA	<u>\$ 1,240,256</u>
Secured Leverage Ratio	<u>5.4x</u>

1. Notional principal amount of outstanding debt