

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

SBA Communications Corp. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Thank you. [Operator Instructions]. And we'll go first to Jonathan Atkin with RBC Capital Markets. Please go ahead.

Jonathan Atkin - RBC Capital Markets

Yes, good morning. I think Kurt mentioned in terms of the site leasing activity that three years, the national carriers were active; curious to get a view as to when that fourth carrier might start spending again? Anything we're seeing here on the site leasing side or in your services business that gives you any indication there. And then with respect to Outdoor DAS, can you talk about Light Tower in terms of their current scale. How many installations? How many customers? And how that business might get ramped over time? Thank you.

Kurt L. Bagwell - Senior Vice President and Chief Operating Officer

Jonathan this is Kurt, obviously the fourth or the big four, it's a little unclear still exactly when we'll start ranking backup, they are making a lot of moves obviously to get themselves in better positions and I don't want to get two customers specific here but we hope this, by the end of third quarter, fourth quarter they are back in the... a better here than they were now. But that's not a 100% clear to us this year. So I will leave that one at that.

On the DAS systems, they have got five existing systems and one larger one it's in construction, right now. The systems average about three tenants per system now and some of other installations, multiple bands per tenant which would basically look like how much in other tenant.

So they are definitely, they've done a very nice job of not just building several systems but building ones that are truly multiple tenant which is... what we really like about the Light Tower DAS business is, it's very similar to our tower model, they have been very selective.

Jeffrey A. Stoops - President and Chief Executive Officer

And Jonathan, I would add that the financial attractiveness of the business is very good at this point. Kurt mentioned the three tenants per system, we are approaching this the way we approach the tower business, which is looking for multi-tenant opportunities. We think that's the right way we can gallop. The returns on invested capital over time have been really, really good for what Light Tower has done. The issue for us, which we will be kind of studying and then drawing some conclusions on over time, is actually how big we can take the success that they've had. Not quite sure yet, people should not expect that, we will be materially moving the needle through DAS in the short term and as we continue to evaluate opportunities, we will keep you posted.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.