



November 2014

# The Foundation for a Wireless World

# Cautionary Information

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This presentation contains forward-looking statements and information that are based on management's current expectations. Such statements may include projections, Outlook and estimates regarding (i) carrier network investment and capital expenditures, and potential benefits derived therefrom, (ii) our strategic and competitive position, (iii) potential benefits and returns which may be derived from our business, our investments and our acquisitions, (iv) demand for our sites and services, (v) leasing activity (vi) our growth, (vii) currency exchange rates, (viii) capital expenditures, including sustaining capital expenditures, (ix) non-renewal of leases and the impact therefrom, (x) timing items, (xi) general and administrative expenses, (xii) investment capacity, (xiii) U.S. mobile data usage and speeds, (xiv) site rental revenues and (xv) site rental cost of operations, The term "including", and any variation thereof, means "including, without limitation."

Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including prevailing market conditions and other factors. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those expected. More information about potential risk factors which could affect our results is included in our filings with the Securities and Exchange Commission. The Company assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, AFFO, Organic Site Rental Revenue, and Site Rental Revenue, as Adjusted. Tables reconciling such non-GAAP financial measures are set forth in the Supplemental Information Package posted in the Investors section of Crown Castle's website at <http://investor.crowncastle.com>.



# Company Overview

# Real Estate Provider to the Wireless Industry



## Top REIT's by Market Cap (\$ bn)

Company	Market Cap
1 Simon Property	\$56
2 American Tower	\$39
3 Public Storage	\$32
4 Crown Castle	\$26
5 Equity Residential	\$25
6 Health Care REIT	\$23
7 General Growth	\$23
8 AvalonBay Communities	\$21
9 Prologis	\$21
10 Vornado Realty Trust	\$21

Represents prices as of 10/31/14 close

# Crown Castle Recently Meaningfully Increased its Annual Dividend

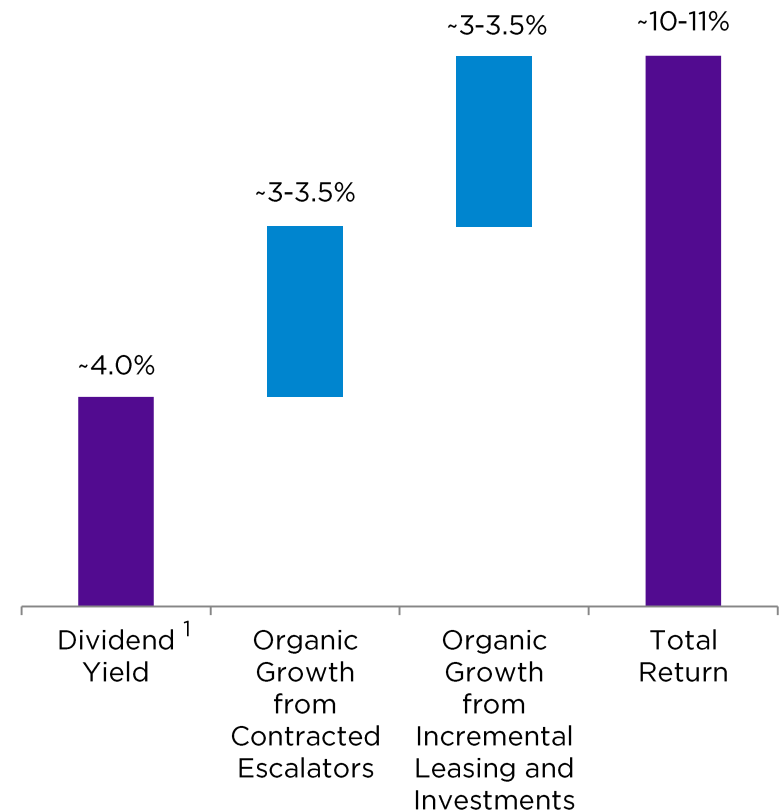
## Rationale Behind Significant Increase in Dividends

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- Aligning of shareholder returns to the core business model
- Reinforcing confidence in the long-term, recurring nature of Crown Castle's cash flows
- Retaining sufficient liquidity to achieve long-term, embedded organic growth opportunity
- Increasing the certainty of a significant component of shareholder returns given an expectation that future growth rates are likely to be lower than historical growth rates
- Potential to lower Crown Castle's cost of capital
- Maintaining balance sheet profile consistent with investment grade credit rating objective

# Crown Castle Provides Compelling Total Shareholder Returns

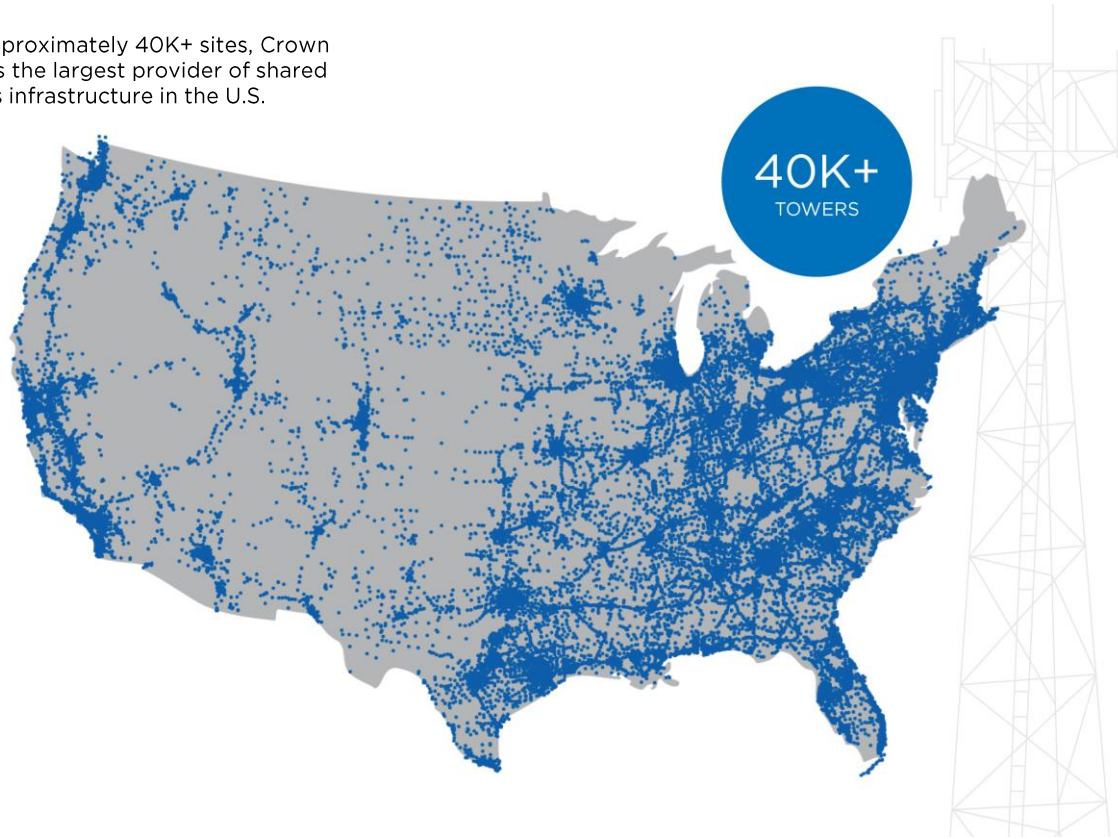
Long-Term, Recurring Cash Flows	<ul style="list-style-type: none"> <li>Predictability of cash flows provide stability and embedded growth from contracted escalators, which contribute approximately half of targeted five year AFFO organic growth of 6% to 7% annually                             <ul style="list-style-type: none"> <li>\$22bn pipeline in contractual lease payments predominantly from the top U.S. wireless carriers</li> <li>Typically over 95% of site rental revenues are contracted for in prior year</li> <li>7 years weighted average current term remaining</li> </ul> </li> </ul>
High-Quality Cash Flows	<ul style="list-style-type: none"> <li>Top four national US wireless carriers represent approximately 90% of revenues                             <ul style="list-style-type: none"> <li>AT&amp;T, Sprint, T-Mobile and Verizon have a combined market capitalization of approximately \$430 billion and generated \$70 billion in annualized operating cash flows</li> </ul> </li> </ul>
Leading Portfolio of Wireless Infrastructure Assets	<ul style="list-style-type: none"> <li>With approximately 40,000 towers and over 6,000 miles of fiber, Crown Castle is well-positioned to continue to benefit from investments by the carriers as they enhance their networks.</li> </ul>
Long-Term Control of Assets	<ul style="list-style-type: none"> <li>Crown Castle owns or has ground leases of 10+ years underneath towers generating approximately 90% of its site rental gross margins                             <ul style="list-style-type: none"> <li>Average ground leases are approximately 30 years</li> </ul> </li> </ul>
Positive Industry Fundamentals	<ul style="list-style-type: none"> <li>US mobile data traffic is expected to increase by approximately 8 times by 2018, which will drive carriers to continue to make investments to meet consumer demand</li> </ul>



1. As of November 4, 2014; assumes annual dividend rate of \$3.28 per share

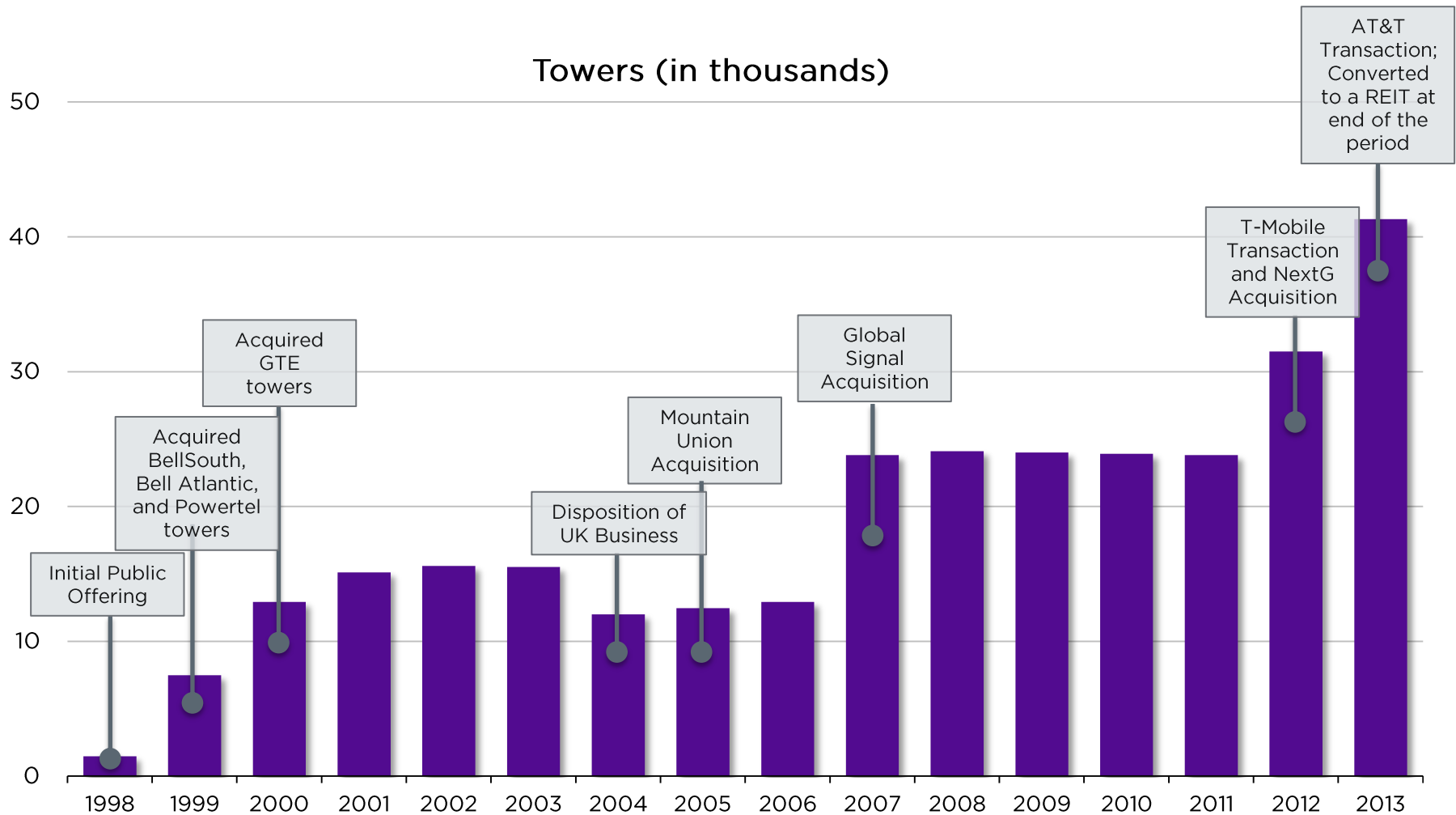
# Largest U.S. Provider of Wireless Infrastructure

With approximately 40K+ sites, Crown Castle is the largest provider of shared wireless infrastructure in the U.S.



- Well-positioned for continued stability and growth with key presence in top 100 and top 50 U.S. Basic Trading Areas (BTAs)
  - Top 100 BTAs represent approximately 74% of U.S. population
  - 71% of towers in top 100 BTAs
  - 56% of towers in top 50 BTAs
- Crown Castle currently owns approximately 14,000 small cell nodes and rights to use approximately 7,000 miles of fiber

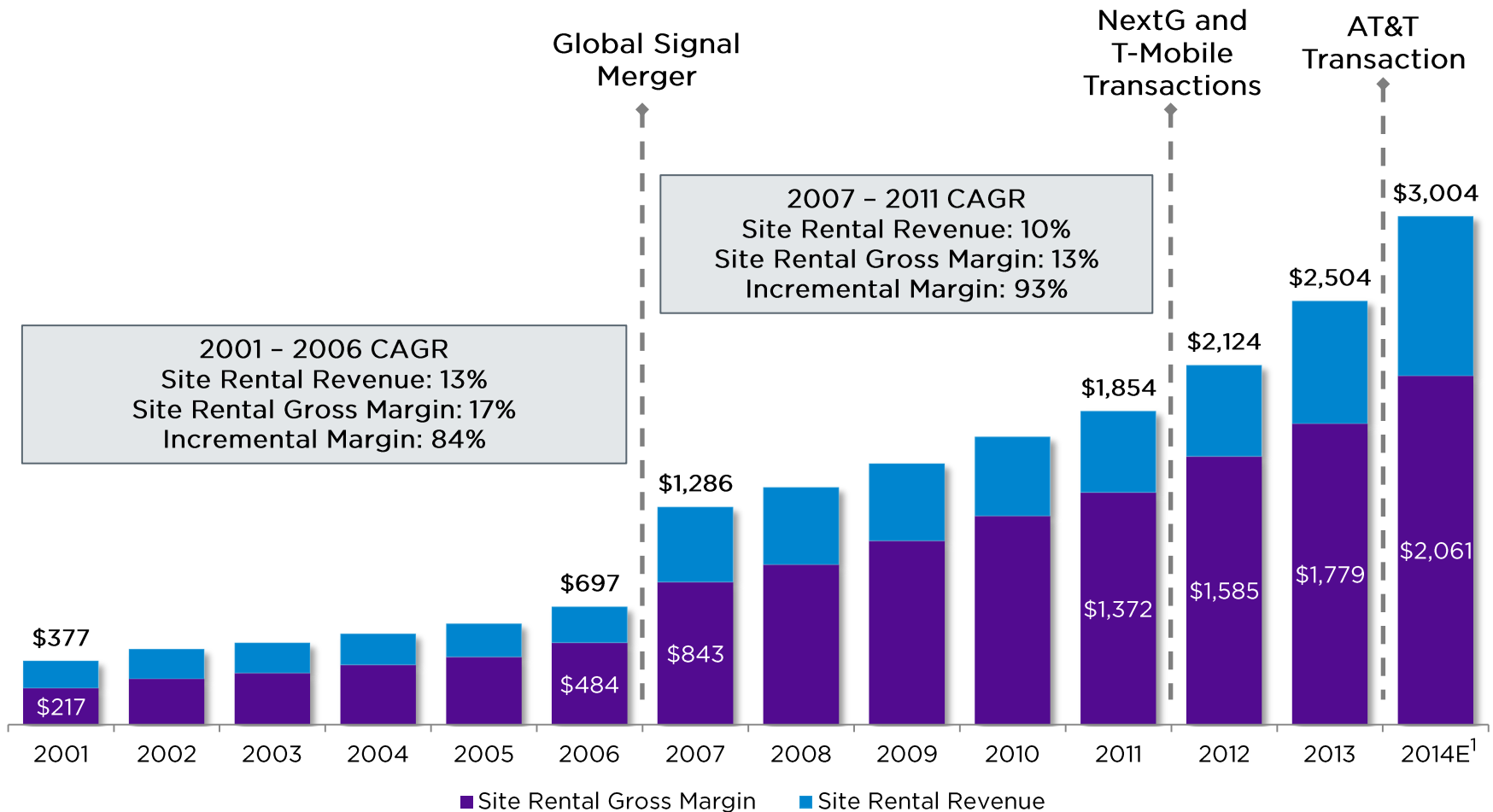
# Company History





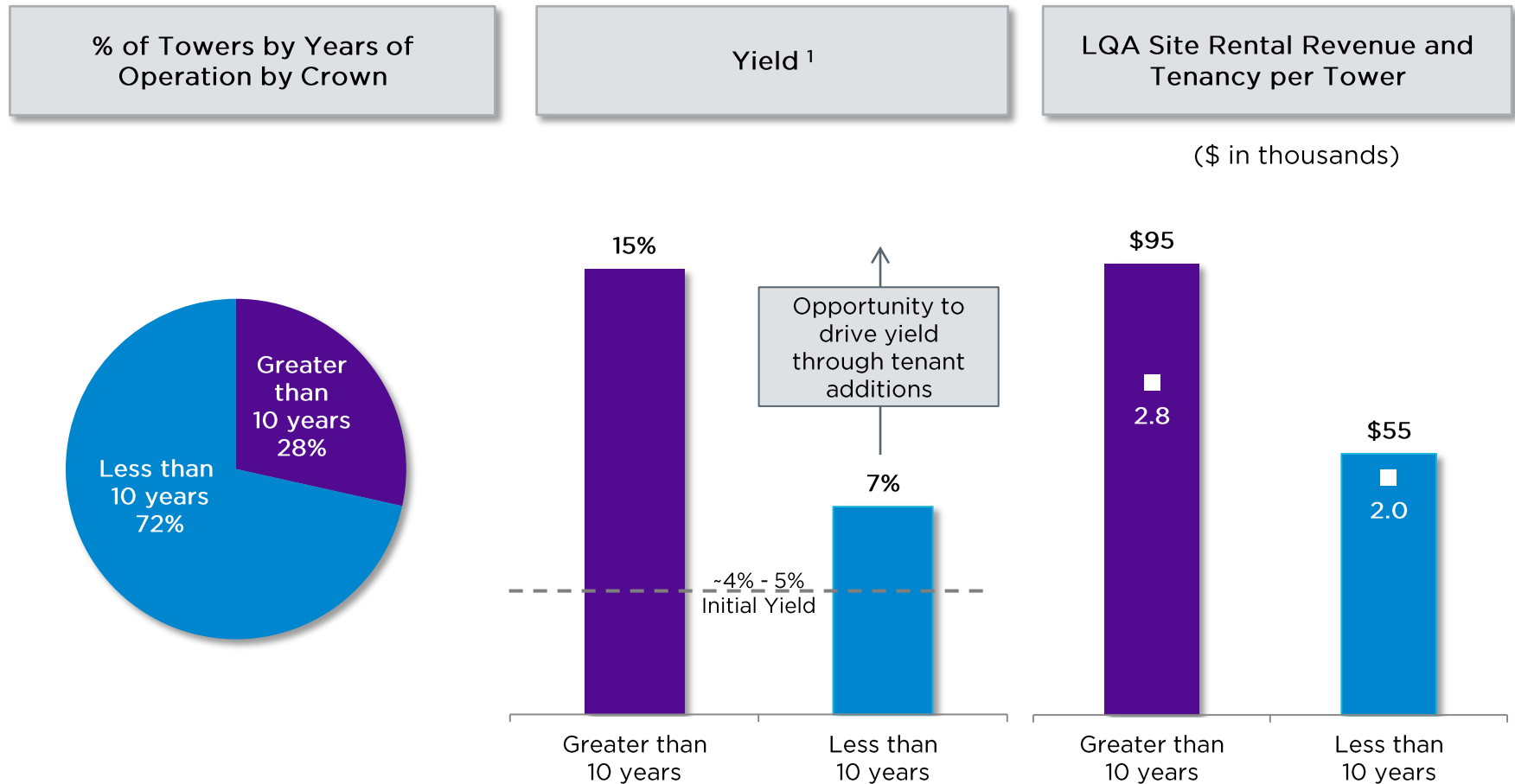
# Proven Track Record of Stability and Growth

(\$ in millions)



1. Reflects midpoint of guidance provided on October 30, 2014

# Significant Opportunity to Create Shareholder Returns by Leasing Up Less Mature Towers



1. Yield is calculated as LQA site rental gross margin divided by invested capital

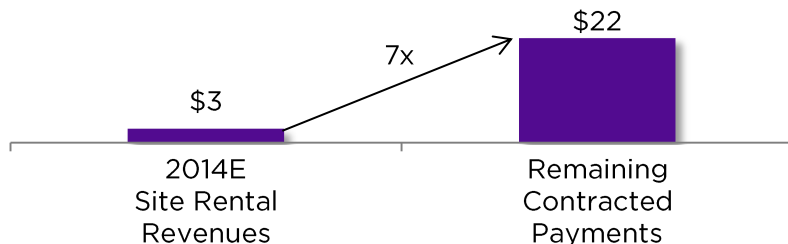
# Attractive Business Fundamentals

## Stable and Long-Term Contracted Revenues

~ 7  
Years

...weighted average remaining current term, typically with annual escalators

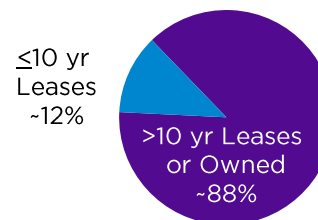
Site Rental Revenue (\$bn)



## Long-Term Control of Assets<sup>1</sup>

~88%

...of site rental gross margins generated on sites that reside on owned land or have 10+ year ground leases

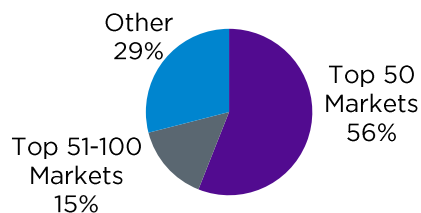


## Attractive Tower Footprint

~40k  
towers

...largest shared wireless infrastructure provider in the U.S., with attractive portfolio footprint

U.S. Tower Footprint

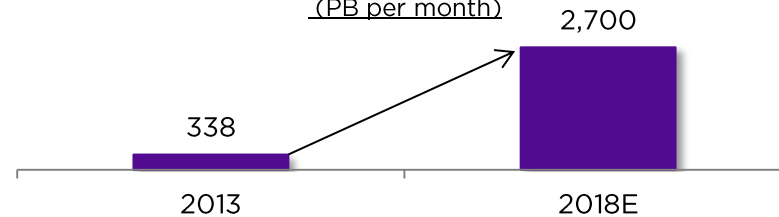


## Significant Network Demand Driven by Data Usage

~ 8x

...expected growth in U.S. mobile data traffic from 2013 to 2018

Forecasted U.S. Mobile Data Usage<sup>2</sup>  
(PB per month)



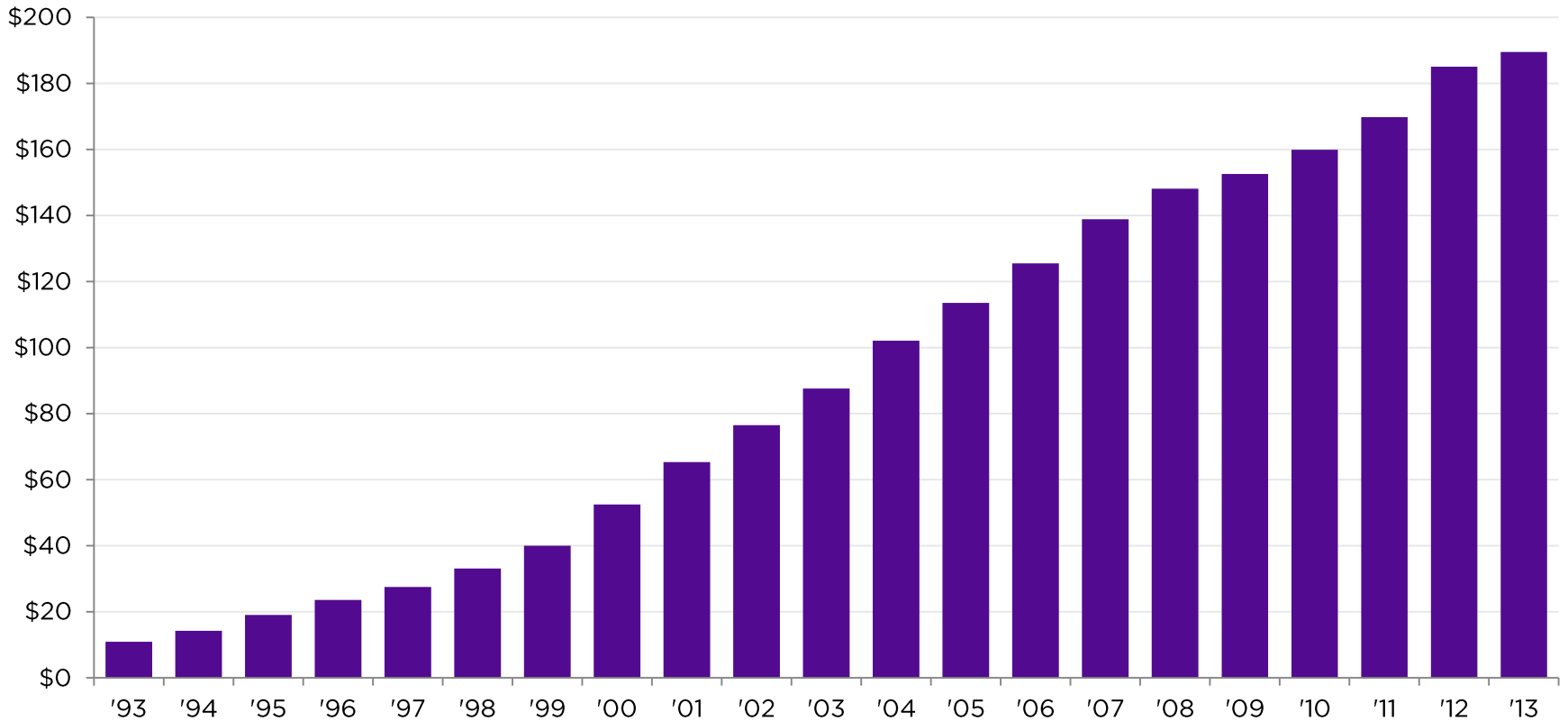
1. Based on LQA Q3 2014 site rental gross margin  
2. Cisco VNI, 2014



# Industry Overview

# Consistent Growth in U.S. Wireless Service Revenues Driven by Increasing Consumer Demand

Wireless Service Revenues<sup>1</sup> (\$ in billions)

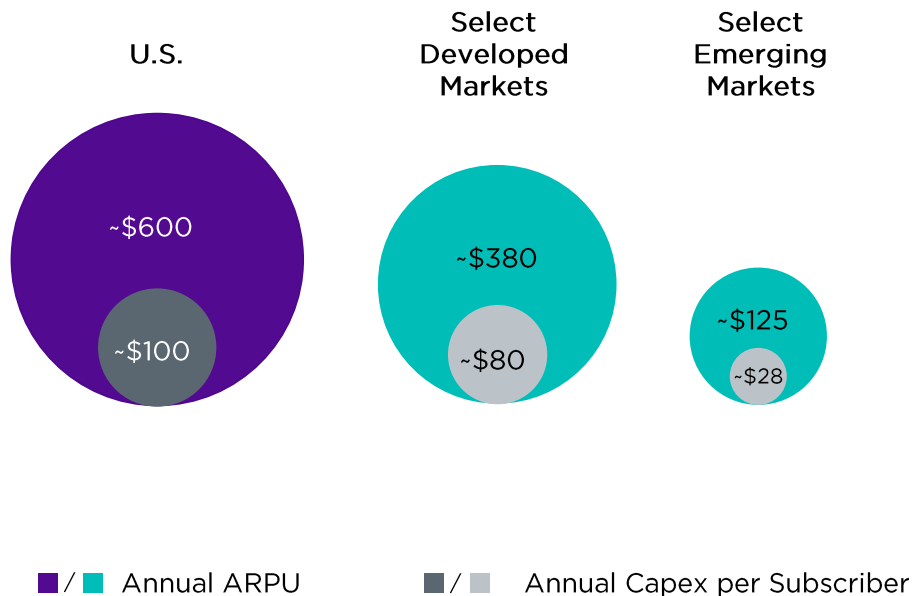


1. CTIA Report

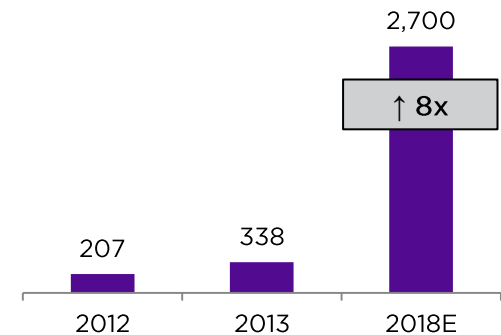
# U.S. Market Provides Compelling Risk-Adjusted Returns

## High Correlation Globally Between ARPU and Network Investment

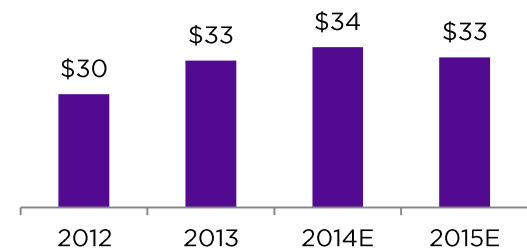
Average Annual Wireless Revenue and Capex per Subscriber<sup>1</sup>



Forecasted U.S. Mobile Data Usage (petabyte per month)<sup>2</sup>



Projected U.S. Wireless Carrier Capital Expenditures<sup>3</sup> (\$ in billions)



1. Source: Wall Street research; weightings based on average metric per country

2. Source: Cisco VNI, 2014

3. Source: CTIA Reports and Wall Street Research; includes AT&T, Sprint, T-Mobile, U.S. Cellular, and Verizon

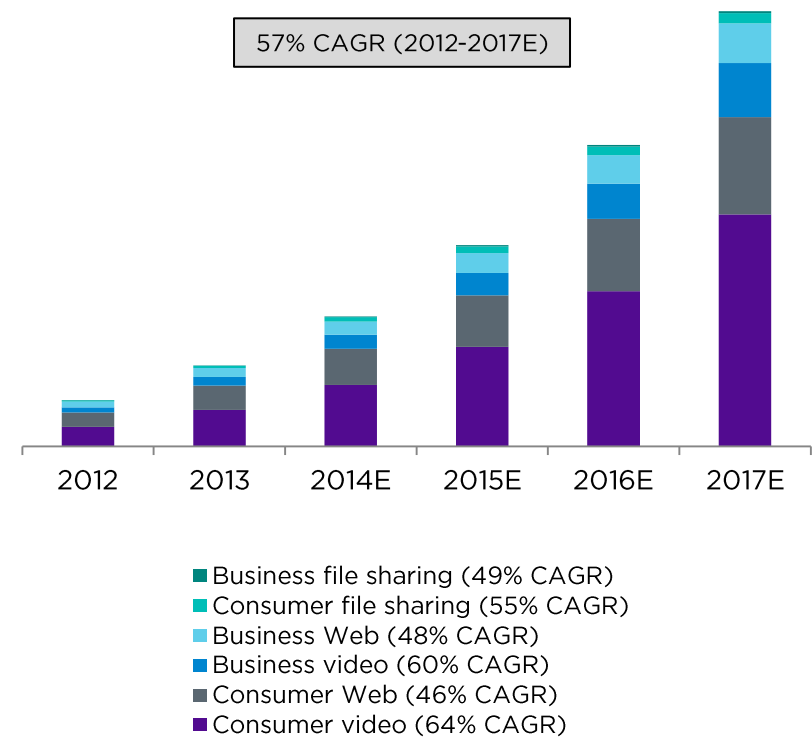
# Secular Growth in U.S. Mobile Data Drives Demand

## Key Factors Driving Data Growth

- Adoption of smart connected devices that, on average, generate significantly more traffic than non-smart devices
  - On average, smartphones generated 48x more mobile data traffic than basic feature phones in 2013<sup>1</sup>
  - As of March 2014, approximately 69% of U.S. mobile subscribers owned smartphones<sup>2</sup>
- Adoption of mobile cloud-based applications
  - Mobile cloud traffic is expected to increase 12x between 2013 and 2018<sup>1</sup>
- Consumption of mobile video applications
  - Mobile video traffic is expected to grow at a CAGR of 69% between 2013 and 2018, the fastest expected growth rate of any mobile application category<sup>1</sup>
- Increasing mobile network speeds, which leads to increased usage
  - Mobile network connection speeds in North America are expected to grow at a CAGR of 21% between 2013 and 2018<sup>1</sup>

## U.S. Mobile Data Traffic<sup>1</sup>

(petabyte per month)



1. Cisco VNI, 2014  
2. comScore

# Business Model



# Carrier Build vs Lease Decision: Quantitative Aspects

- Significant economic incentives exist for carriers to choose a shared infrastructure model over building their own site
  - Lower costs: Over a 10- and 20-year period, tower leasing results in cost savings of approximately \$200,000 and \$130,000, respectively
  - Better capital allocation: Yield on a carrier's tower build is well below a carrier's cost of capital

## Carrier Build vs. Tower Leasing – Present Value of Costs<sup>1</sup>

Term	Carrier Build	Tower Lease	Savings
10 years	\$433,541	\$232,929	\$200,611
20 Years	\$541,598	\$407,967	\$133,631

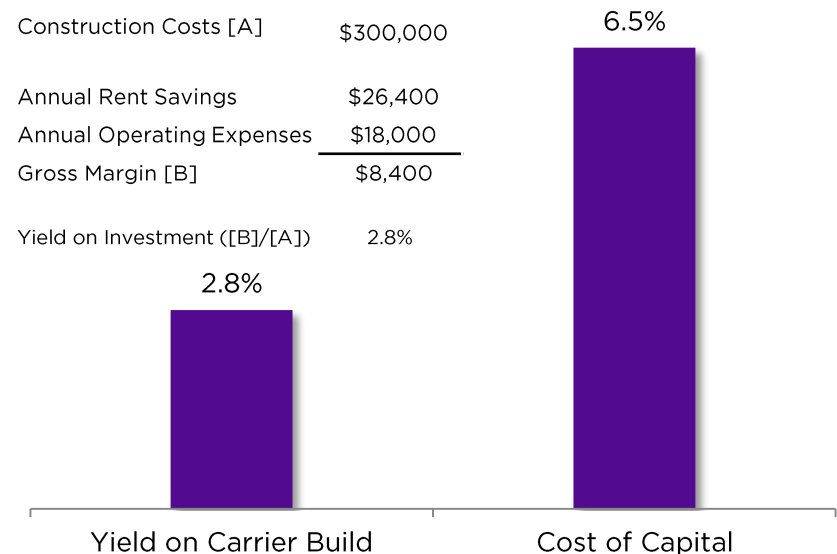
### Carrier Build Scenario

- \$300,000 construction cost
- \$1,500 monthly operating expenses with 3% annual escalator (annual \$18,000)
- 6.5% Weighted Average Cost of Capital (WACC)

### Tower Lease Scenario

- \$2,200 monthly lease with 3.5% annual escalator (annual \$26,400)
- 6.5% WACC

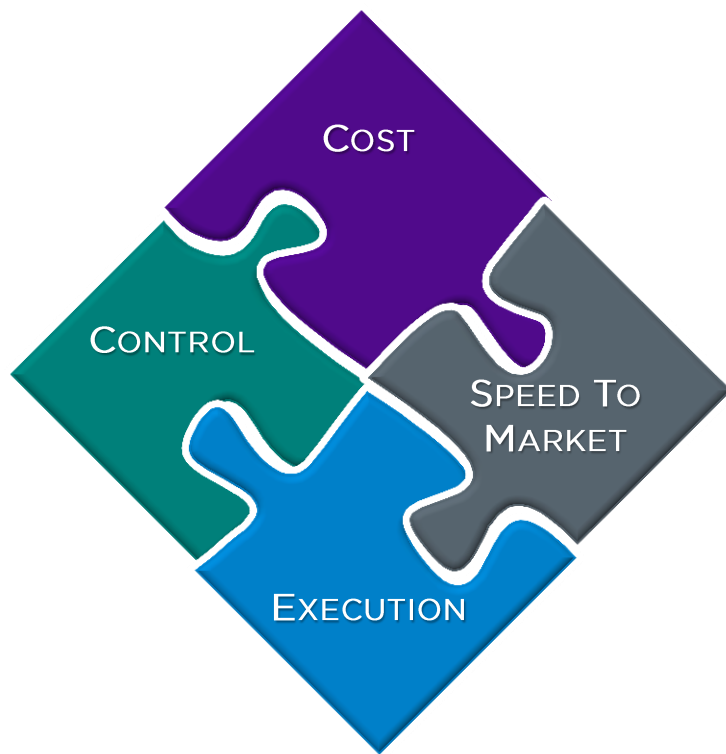
## Yield on Investment vs. Cost of Capital<sup>1</sup>



1. For illustrative purposes only

# Carrier Build vs Lease Decision: Qualitative Aspects

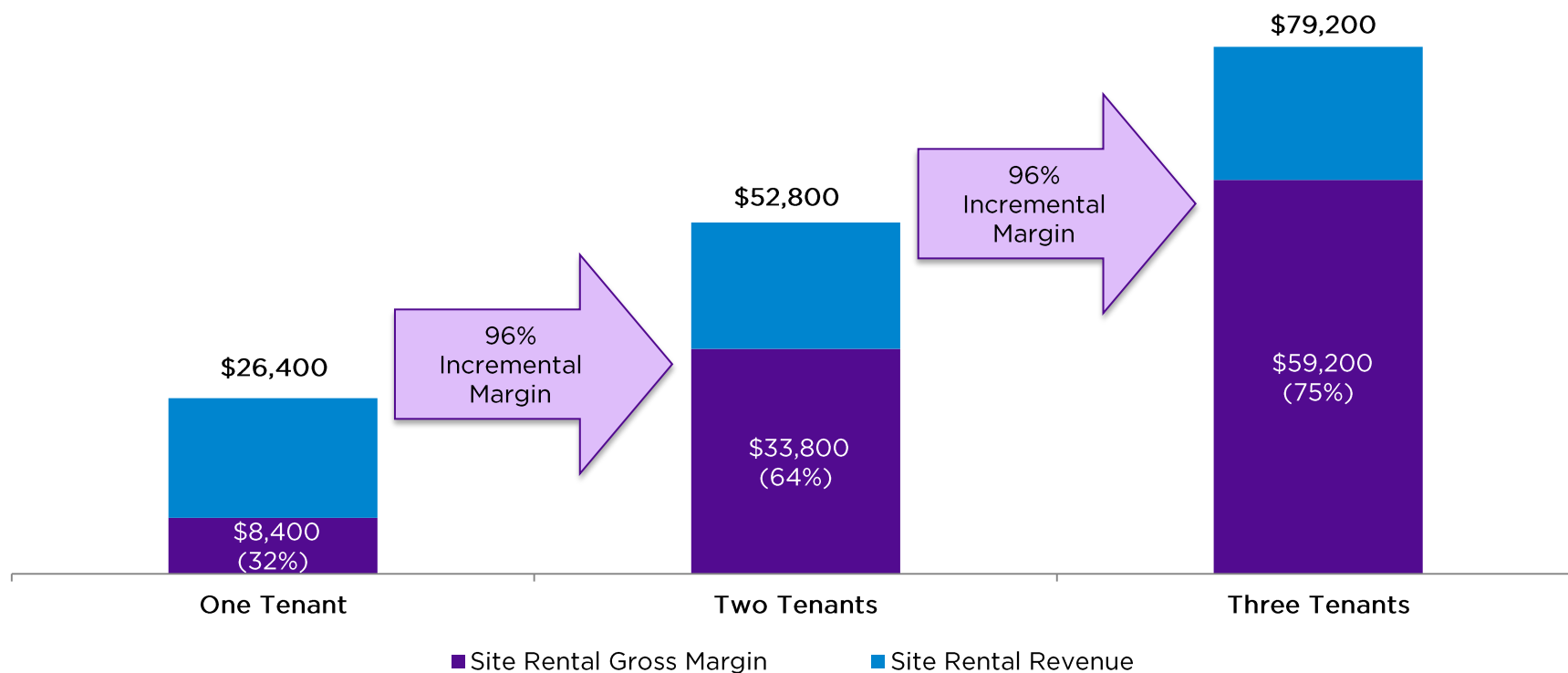
## Factors Impacting Build vs. Lease Decision



	Build	Lease	Comments
Cost		✓	Tower leasing results in lower cost to carriers and allows carriers to better allocate capital
Speed to Market		✓	Independent tower operators have extensive tower portfolios and operational expertise necessary to help carriers quickly deploy their networks
Execution		✓	Tower leasing allows carriers to focus on their core business
Control	✓		Building a tower allows a carrier to retain control of critical infrastructure

# Illustrative Tower Economics<sup>1</sup>

## High Incremental Margins Associated with Lease-Up



1. For illustrative purposes only

# Recurring Long-Term Revenue Stream

## Source of Revenues

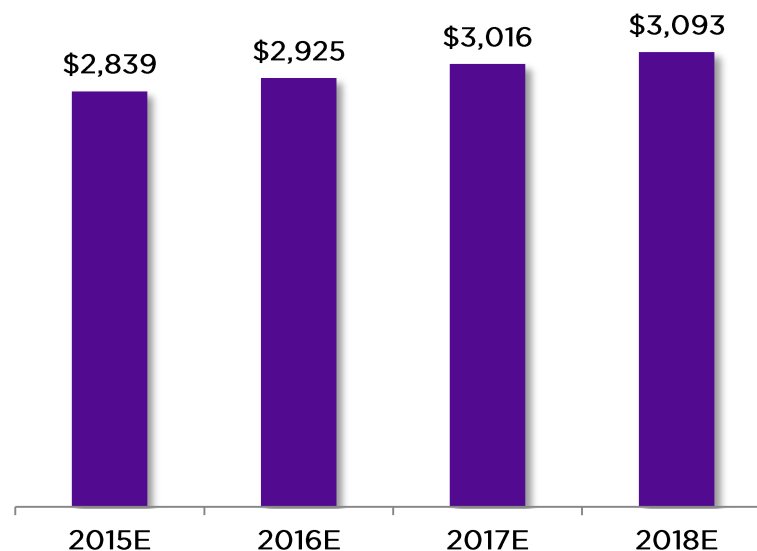
- Multiple tenants lease space on the tower and portions of the ground for their wireless communications equipment
- Typical lease terms are non-cancellable with an initial term of 5 to 15 years with multiple 5 to 10 year renewal periods and annual lease escalators of approximately 3% to 4%

## Factors Affecting Tenant Rent Pricing

- Leased vertical space on the tower
- Weight placed on tower from equipment and coax lines
- Square footage leased on the ground
- Generally portfolio-based pricing based on previously negotiated agreements, not on a site-by-site basis

## High Degree of Visibility into Future Revenues

Projected Site Rental Revenues, as Adjusted from Existing Customer Contracts<sup>1</sup>

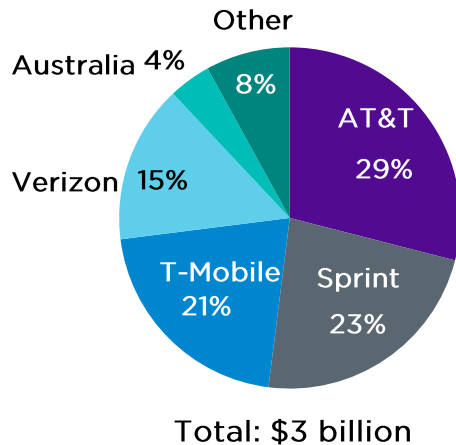


1. Based on existing contracts as of September 30, 2014. All contracts, except for Sprint contracts associated with the iDen network and contracts where termination notices have been received, are assumed to renew for a new term at current term end date. CPI-linked customer contracts are assumed to escalate at 3% per annum. Assumes a US dollar to Australian dollar exchange rate of 0.86 US dollar to 1.0 Australian dollar.

# High Quality Long-Term Revenue Stream

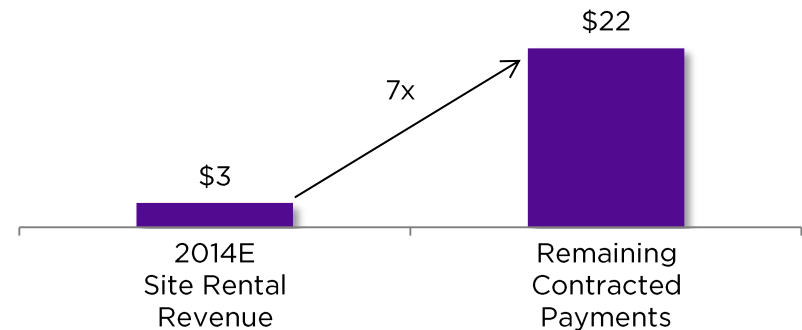
- Approximately 88% of Crown's site rental revenue is generated from the Big 4 U.S. wireless carriers
- Crown estimates that remaining contracted cash rent receipts from customer leases total approximately \$22 billion
  - Crown's leases have a weighted average remaining term of approximately 7 years, excluding renewals at the customers' option

Tenants by Site Rental Revenue<sup>1</sup>



Remaining Contracted Cash Rent Receipts from Customer Leases

(dollars in billions)



1. Expressed as percentage of Q3 2014 Site Rental Revenues

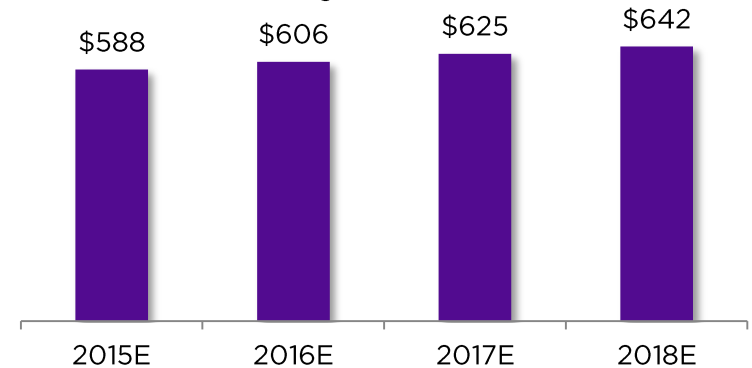
# Stable and Predictable Cost Structure

## Wireless Infrastructure Operating Costs

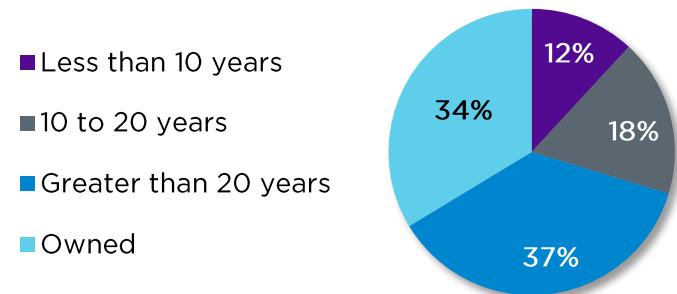
- Operating costs tend to increase at the rate of inflation and are not typically influenced by new tenant additions
- Approximately two-thirds of direct site operating costs consist of lease expenses, with the remainder including property taxes, repairs and maintenance, employee compensation, and utilities
- Crown has long-term control of the majority of the land interests under our towers
  - Own or control for more than 20 years the land under towers representing 71% of site rental gross margin
  - Approximately one-third of site rental gross margin is generated from towers on land we own
  - Existing ground leases have an average remaining term of approximately 30 years

## Stable and Predictable Ground Costs

Projected Ground Lease Expense, as Adjusted from Existing Ground Leases<sup>1</sup>



## Long-Term Control of Our Land<sup>2</sup>



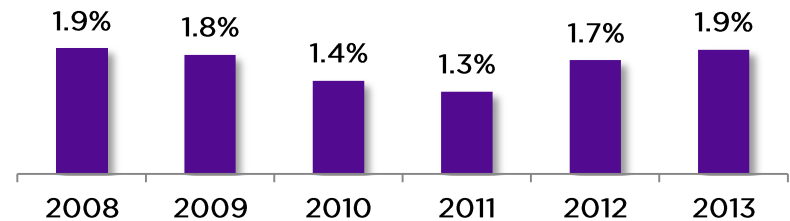
1. Based on existing ground leases as of September 30, 2014. CPI-linked leases are assumed to escalate at 3% per annum. Assumes a US dollar to Australian dollar exchange rate of 0.86 US dollar to 1.0 Australian dollar.

2. Based on LQA Q3 2014 site rental gross margin

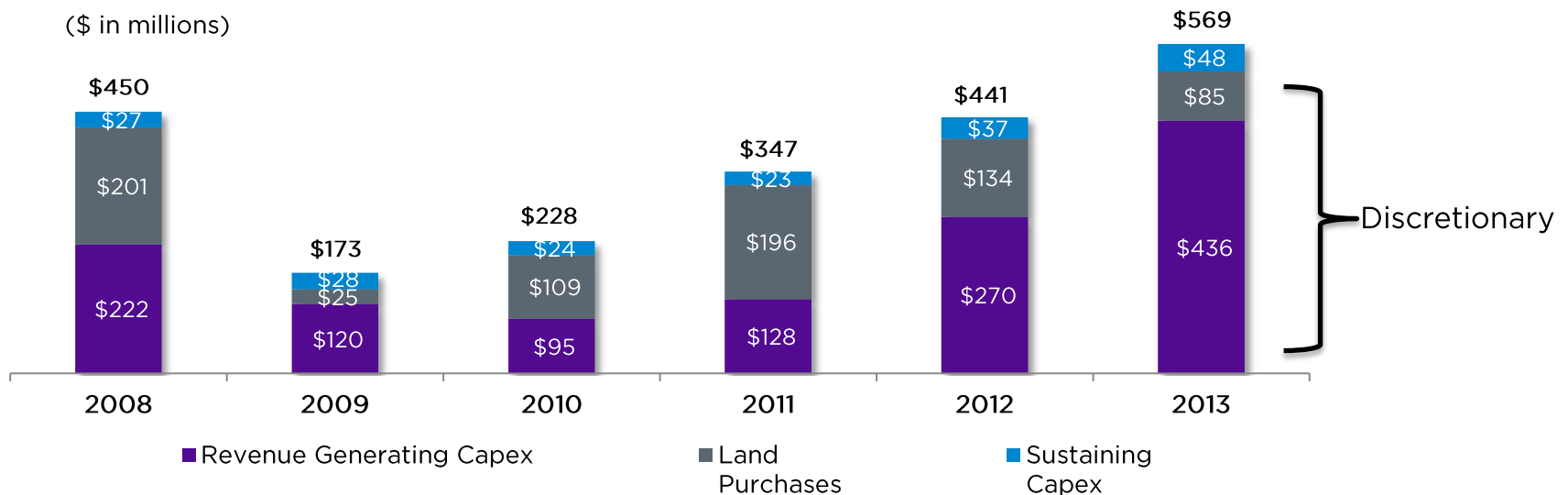
# Low Ongoing Capital Intensity

- Crown's wireless infrastructure portfolio requires minimal sustaining capital expenditures, including maintenance and other non-discretionary capital expenditures
- Sustaining capital expenditures typically equate to less than 2% of site rental revenues

Sustaining Capex as a % of Site Rental Revenues



(\$ in millions)



	2008	2009	2010	2011	2012	2013
# of towers at period end	22,489	22,365	23,845	23,783	31,545	41,322

# Comparison to Other REITs<sup>1</sup>

Key Characteristics	Tower Industry	More Traditional Real Estate	Comments
Typical lease term	5-10 years	5-10 years	Tower leases typically include multiple renewal periods at the tenant's option of 5-10 years each
Annual rent escalations	3-4% or CPI-based	1-3% or CPI-based	—
Maintenance capex as % of base rent	~2%	5-15%	—
Current occupancy	50-60%	90-95%	Towers are typically constructed to support three to five tenants; capacity can be increased with minimal incremental costs
Tenant concentration	High	Low	Concentration is with the well capitalized Big 4 carriers
Industry concentration	High	Low	—
Land ownership	Low	High	Crown owns or controls for greater than 20 years the land under sites representing 72% of its site rental gross margin; average remaining term of ~30 years on land leases
AFFO per share growth	High single digit	Mid to high single digit	Approximately half of Crown Castle's organic growth is expected to be generated from contractual escalators in tenant leases.

1. Wall Street research





# Asset Overview

# Wireless Tower Basics

## Key Components of a Tower

### 1. Antenna Array and Platform

- Tenants deploy antennas which transmit the signal between the tower and the mobile device

### 2. Microwave Antenna “Dish”

- A specific type of antenna used for point-to-point communications, including wireless backhaul

### 3. Coaxial Cabling

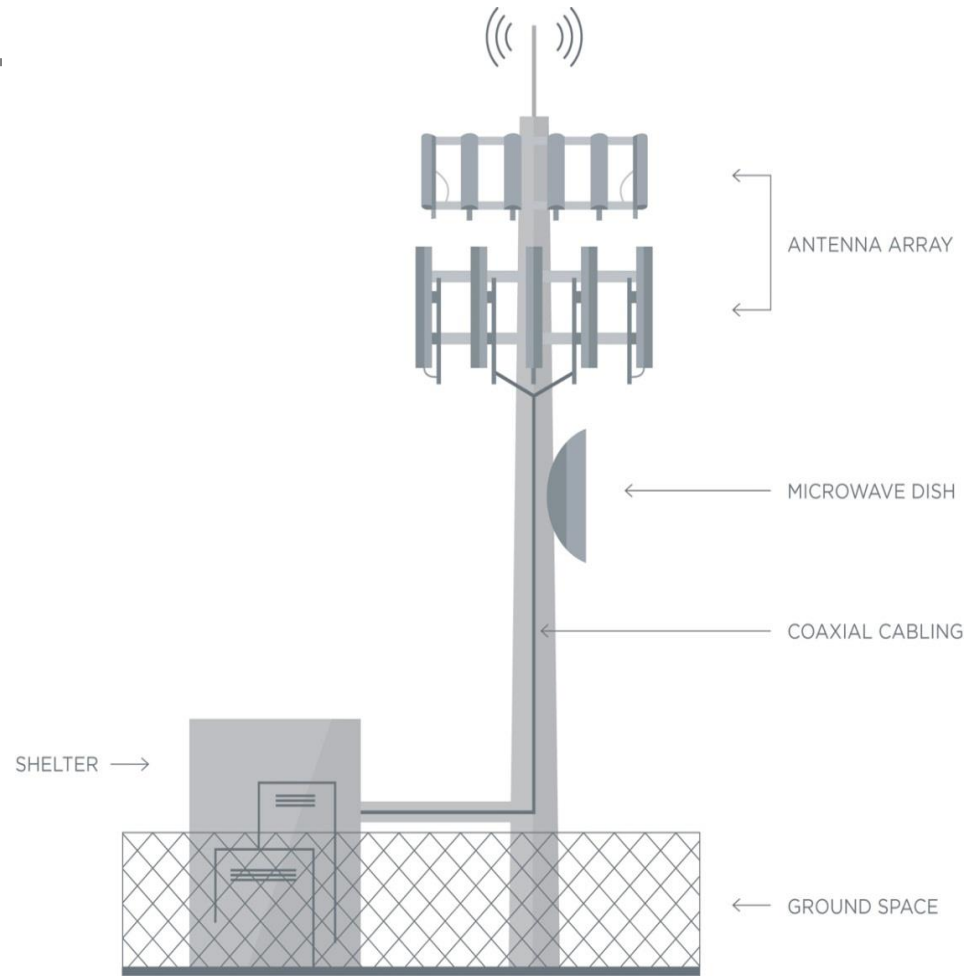
- Transmission lines that transport the signal between the antennas and the base station

### 4. Shelter

- Structures at the base of the tower used by tenants to house their wireless communications equipment

### 5. Ground Space

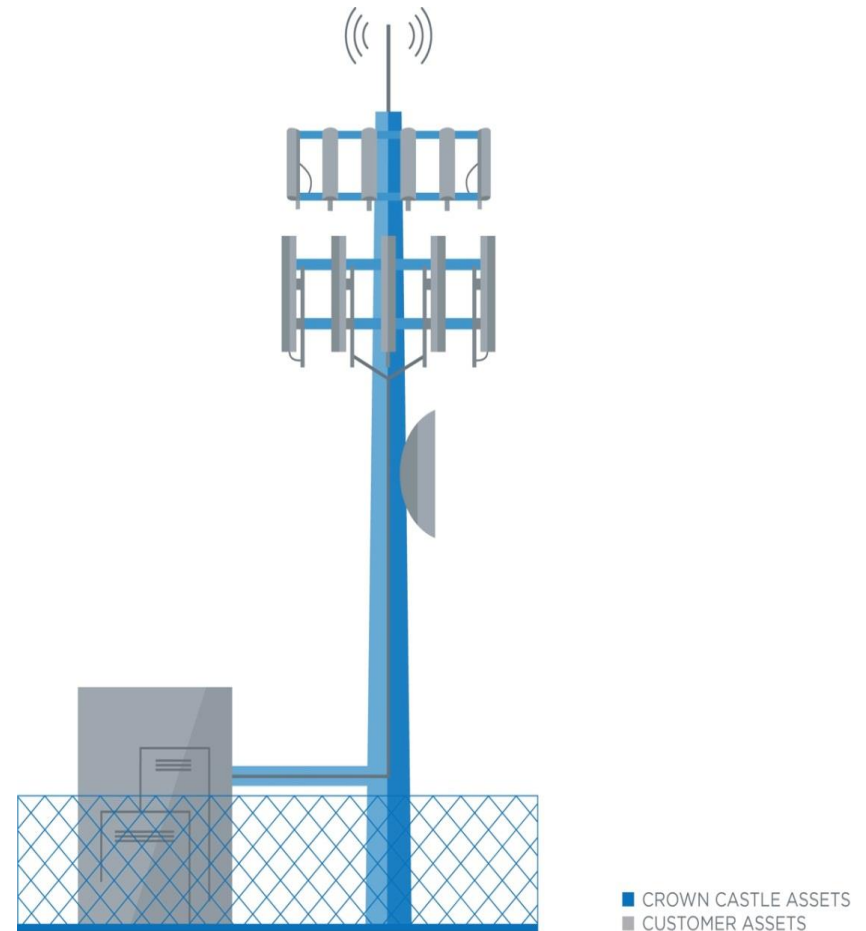
- A secure area around the base of the tower where tenants deploy their shelters and backup generators



# Sample Ownership of Tower Infrastructure

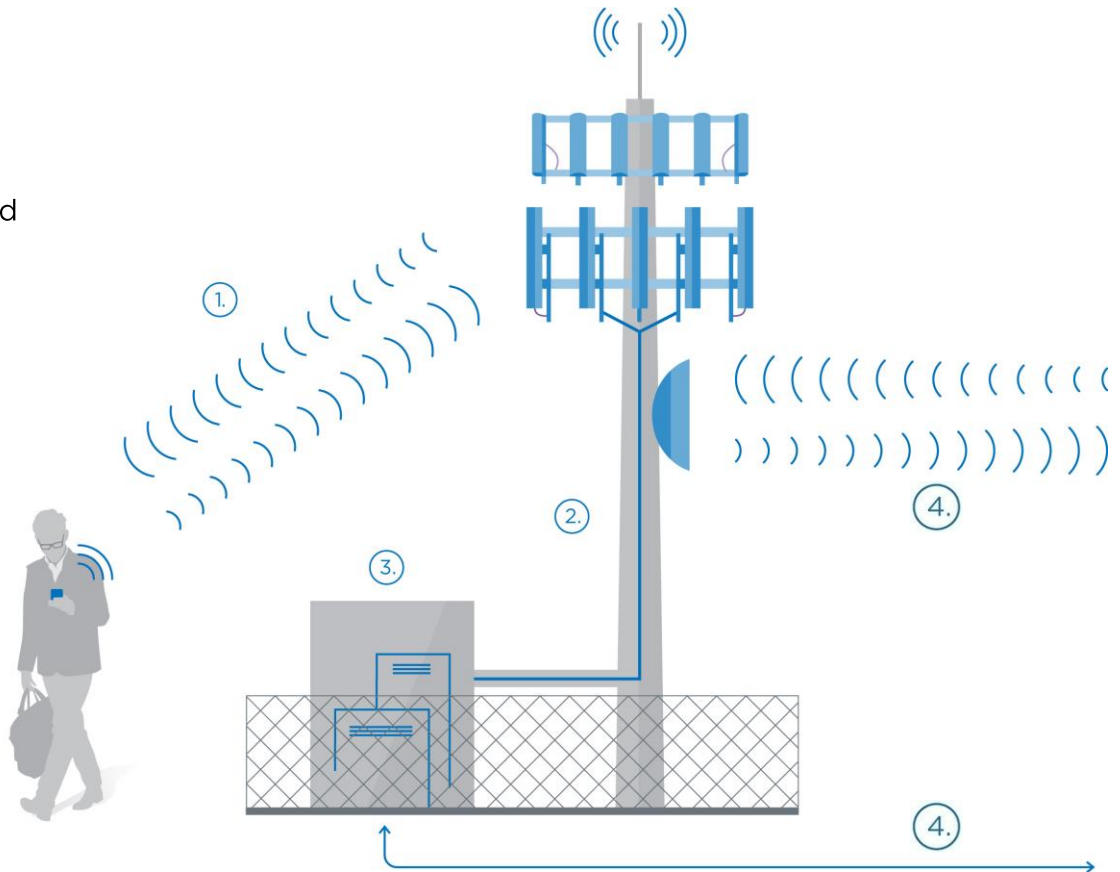
## Typical Ownership Split

- Crown Castle Assets
  - The steel tower structure that typically has capacity for at least four tenants
  - The ground space, which Crown either owns or operates pursuant to a long-term lease
- Customer Assets
  - Antenna equipment
  - Coaxial cabling
  - Shelters at the base of the tower, including all of the equipment housed in the shelters



# How Do Wireless Networks Work?

1. Wireless networks automatically route traffic to a mobile user using a cell site with the strongest signal. The signal then travels between the handset and the tower-mounted antennas.
2. Transceivers, typically referred to as “radios” send and receive signals at a specific frequency to the mobile device
3. The base station processes the signals and send them to switching elements which then route the traffic both within and to other networks (mobile, IP or wireline)
4. Backhaul (wireline/fiber or wireless) is used to transport traffic to and from the tower to the switching elements





# Q3 2014 Earnings

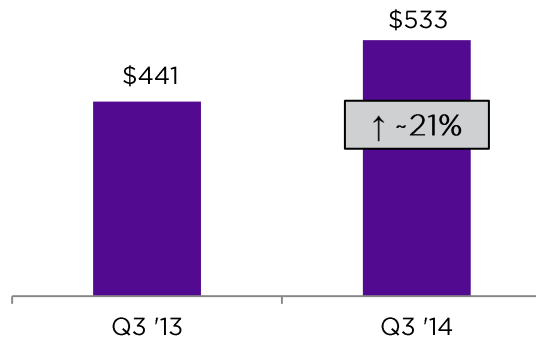
# Q3 2014 Highlights

(\$ in millions, except per share amounts)

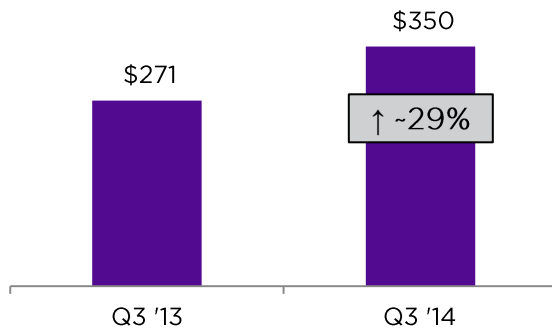
Site Rental Revenues



Adjusted EBITDA



AFFO



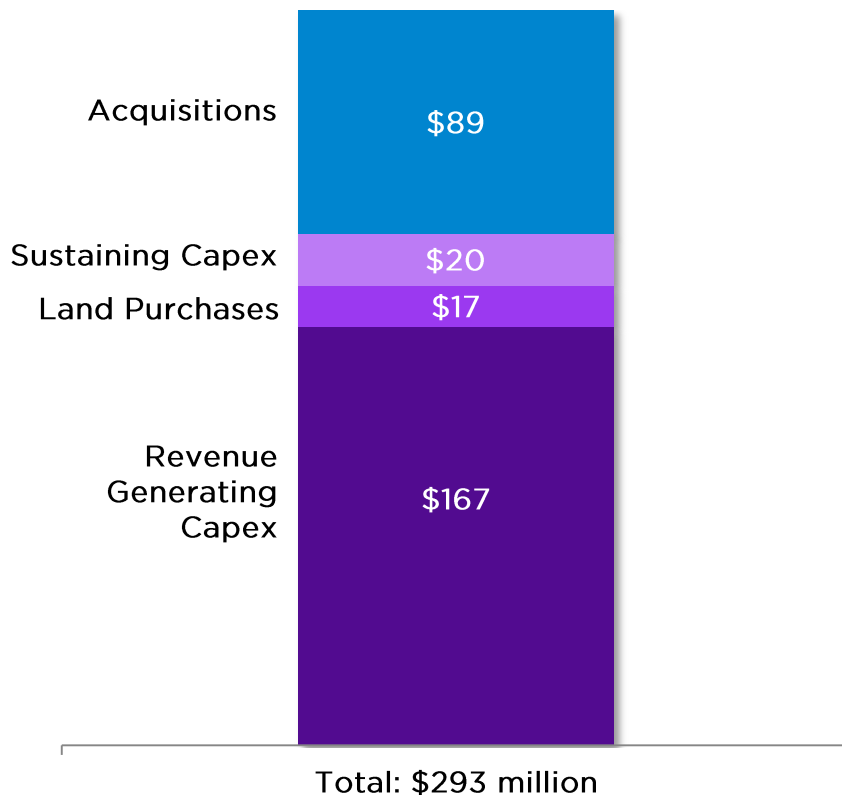
AFFO per share



- Results reflect:
  - High level of leasing activity
  - Strong performance from network services
  - Contribution from the AT&T tower transaction

# Financing and Investment Summary

## Q3 2014 Capital Deployment (\$ in millions)

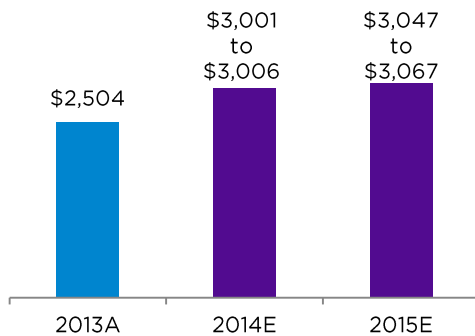


- Continued proactive approach with land program
  - Completed over 16,000 land transactions since launch of program
  - Approximately one-third of site rental gross margin generated on owned land
  - Approximately 70% of site rental gross margin is generated on land owned or controlled for 20+ years
  - Average remaining ground lease term of approximately 30 years
- Paid a quarterly common stock dividend of \$0.35 per common share, or approximately \$117 million in aggregate
- Remain committed to achieving investment grade rating
  - Current leverage of 5.3x; target leverage of 4.0x-6.0x

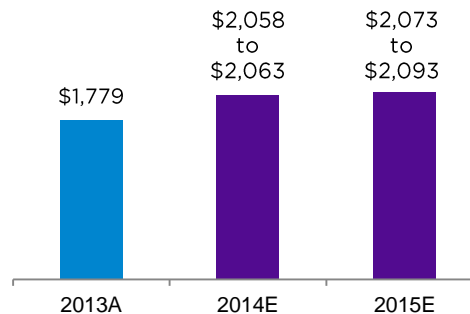
# Full Year 2014 And 2015 Outlook

(\$ in millions)

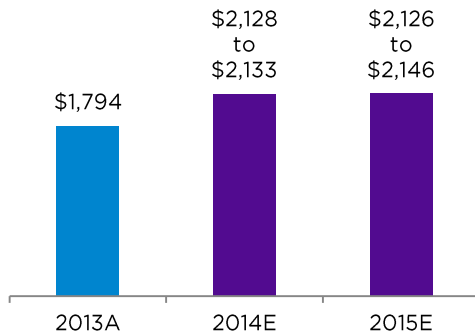
Site Rental Revenues



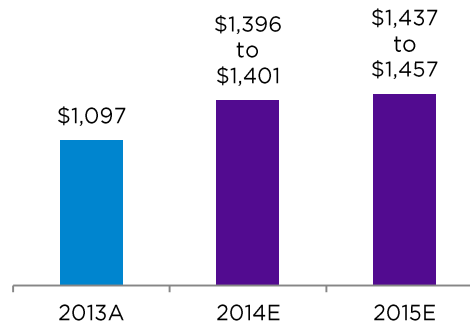
Site Rental Gross Margin



Adjusted EBITDA



AFFO



- Assumes similar network services gross margin contribution as 2014
- Assumes an increase of 6% in cost of operations and G&A expenses as compared to 2014 due to Increased staffing to accommodate:
  - Increase in small cells activity
  - Growth in network services
  - Expansion in the asset portfolio

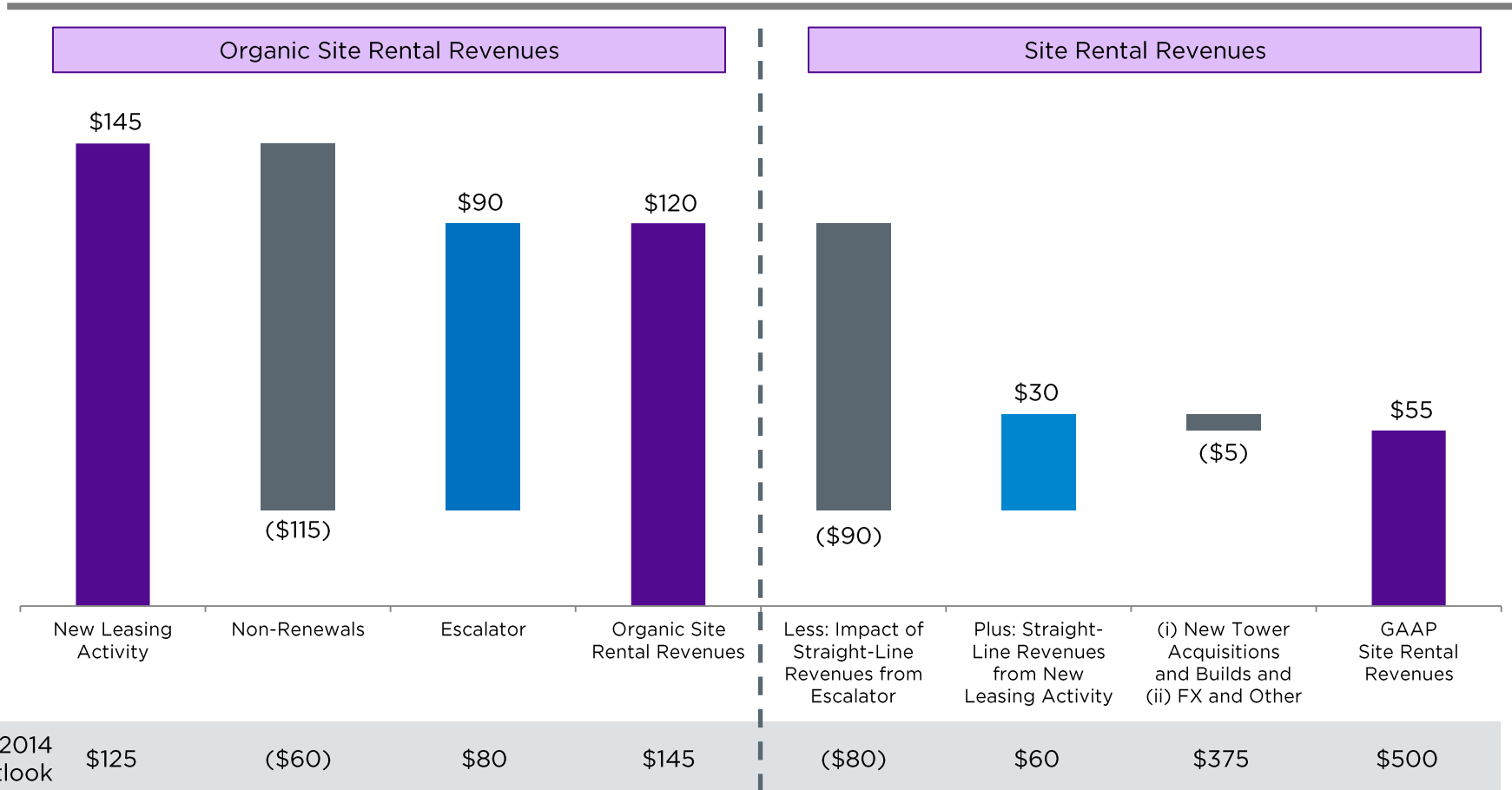
■ Reported Results

■ Outlook Issued on October 30, 2014



# Full Year 2015 Outlook

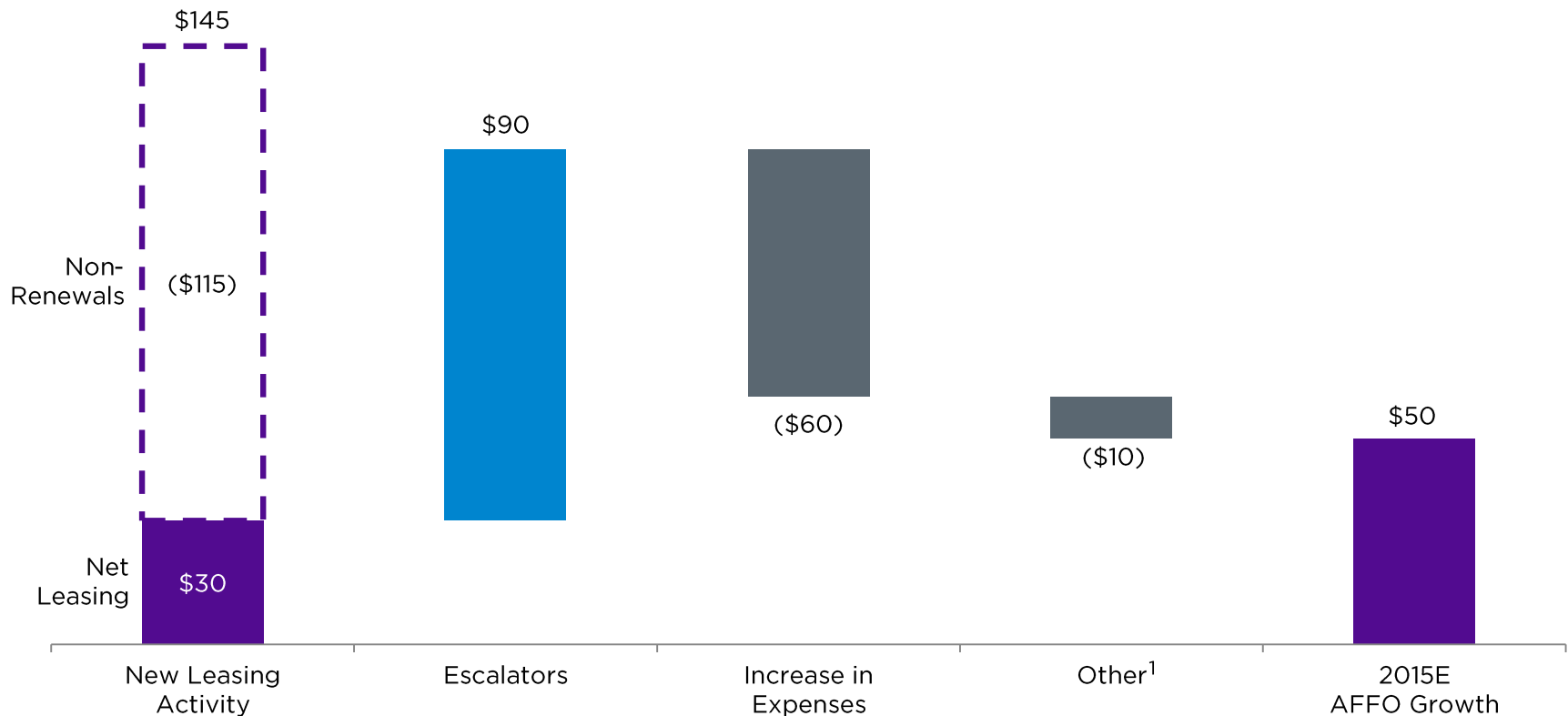
Midpoint of Organic Site Rental Revenues and Site Rental Revenues Growth (\$ in millions)



Note: Components may not sum due to rounding

# Full Year 2015 Outlook (continued)

## AFFO Growth (\$ in millions)



1. Includes net year-over-year change in network services gross margin, cash interest expense, sustaining capex, and other adjustments