UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2001

Commission File Number 000-24737

CROWN CASTLE INTERNATIONAL CORP.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	76-0470458 (I.R.S. Employer Identification No.)
510 Bering Drive Suite 500 Houston, Texas (Address of principal executive offices)	77057-1457 (Zip Code)

(713) 570-3000
(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 [X] No [_]

Number of shares of common stock outstanding at May 1, 2001: 213,807,453

CROWN CASTLE INTERNATIONAL CORP.

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CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(In thousands of dollars, except share amounts)

	December 31, 2000	March 31, 2001
		(Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 453,833	$ 716,941
Receivables:		
Trade, net of allowance for doubtful accounts of $18,722 and $19,608 at December 31, 2000 and March 31, 2001, respectively	168,184	197,116
Other	4,942	1,298
Short-term investments	38,000	37,500
Inventories	78,640	112,806
Prepaid expenses and other current assets	28,535	25,589
Total current assets	772,134	1,091,250
Property and equipment, net	4,303,037	4,450,622
Investments	137,000	100,000
Goodwill and other intangible assets, net of accumulated amortization of $101,085 and $116,235 at December 31, 2000 and March 31, 2001, respectively	1,112,876	1,095,530
Deferred financing costs and other assets, net of accumulated amortization of $10,733 and $12,873 at December 31, 2000 and March 31, 2001, respectively	114,794	131,144
	$6,439,841	$6,868,546
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 100,766	$ 83,191
Accrued interest	47,604	17,225
Accrued compensation and related benefits	11,901	7,952
Deferred rental revenues and other accrued liabilities	164,605	289,654
Total current liabilities	324,876	398,022
Long-term debt	2,602,687	2,701,175
Other liabilities	93,354	99,457
Total liabilities	3,020,917	3,198,654
Commitments and contingencies		
Minority interests	155,344	151,784
Redeemable preferred stock	842,718	851,351
Stockholders' equity:		
Common stock, $.01 par value; 690,000,000 shares authorized; shares issued: December 31, 2000--198,912,094 and March 31, 2001--213,691,811	1,989	2,137
Additional paid-in capital	2,894,095	3,258,380
Accumulated other comprehensive loss	(25,100)	(56,078)
Accumulated deficit	(450,122)	(537,682)
Total stockholders' equity	2,420,862	2,666,757
	$6,439,841	$6,868,546

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (Unaudited)
(In thousands of dollars, except per share amounts)

	Three Months Ended March 31, 2000	Three Months Ended March 31, 2001
Net revenues:		
Site rental and broadcast transmission	$ 93,741	$134,042
Network services and other	30,503	78,911
	124,244	212,953
Operating expenses:		
Costs of operations (exclusive of depreciation and amortization):		
Site rental and broadcast transmission	40,287	57,739
Network services and other	15,901	55,456
General and administrative	14,853	25,895
Corporate development	2,071	3,453
Non-cash general and administrative compensation charges	461	1,395
Depreciation and amortization	45,122	74,091
	118,695	218,029
Operating income (loss)	5,549	(5,076)
Other income (expense):		
Interest and other income (expense)	5,704	3,092
Interest expense and amortization of deferred financing costs	(41,761)	(66,655)
Loss before income taxes, minority interests and extraordinary item	(30,508)	(68,639)
Provision for income taxes	(11)	(60)
Minority interests	(1,541)	644
Loss before extraordinary item	(32,060)	(68,055)
Extraordinary item--loss on early extinguishment of debt	(1,495)	--
Net loss	(33,555)	(68,055)
Dividends on preferred stock	(11,493)	(19,505)
Net loss after deduction of dividends on preferred stock	$(45,048)	$(87,560)
Net loss	$(33,555)	$(68,055)
Other comprehensive income (loss):		
Foreign currency translation adjustments	(2,380)	(27,593)
Derivative instruments:		
Net change in fair value of cash flow hedging instruments	--	(3,341)
Amounts reclassified into results of operations	--	(222)
Comprehensive loss before cumulative effect of change in accounting principle	(35,935)	(99,211)
Cumulative effect of change in accounting principle for derivative financial instruments	--	178
Comprehensive loss	$(35,935)	$(99,033)
Per common share--basic and diluted:		
Loss before extraordinary item	$ (0.27)	$ (0.41)
Extraordinary item	(0.01)	--
Net loss	$ (0.28)	$ (0.41)
Common shares outstanding--basic and diluted (in thousands)	158,566	211,195

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
(In thousands of dollars)

	Three Months Ended March 31, 2000	Three Months Ended March 31, 2001
Cash flows from operating activities:		
Net loss	$ (33,555)	$ (68,055)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	45,122	74,091
Amortization of deferred financing costs and discounts on long-term debt	19,139	22,161
Non-cash general and administrative compensation charges	461	1,395
Minority interests	1,541	(644)
Extraordinary loss on early extinguishment of debt	1,495	--
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase in deferred rental revenues and other liabilities	38,026	130,806
Increase in inventories, prepaid expenses and other assets	(11,767)	(39,730)
Decrease in accrued interest	(11,541)	(30,020)
Increase in receivables	(9,842)	(29,170)
Decrease in accounts payable	(2,145)	(15,945)
Net cash provided by operating activities	36,934	44,889
Cash flows from investing activities:		
Maturities of investments	--	111,000
Capital expenditures	(110,427)	(251,860)
Purchase of investments	--	(73,500)
Investments in affiliates and other	(1,498)	(10,568)
Acquisitions of businesses and assets, net of cash acquired	(287,363)	--
Net cash used for investing activities	(399,288)	(224,928)
Cash flows from financing activities:		
Proceeds from issuance of capital stock	6,845	350,830
Net borrowings under revolving credit agreements	19,000	95,548
Incurrence of financing costs	(18,930)	(2,672)
Proceeds from issuance of long-term debt	400,000	--
Principal payments on long-term debt	(82,000)	--
Net cash provided by financing activities	324,915	443,706
Effect of exchange rate changes on cash	(2,384)	(559)
Net increase (decrease) in cash and cash equivalents	(39,823)	263,108
Cash and cash equivalents at beginning of period	549,328	453,833
Cash and cash equivalents at end of period	$ 509,505	$ 716,941
Supplementary schedule of non-cash investing and financing activities:		
Amounts recorded in connection with acquisitions:		
Fair value of net assets acquired, including goodwill and other intangible assets	$ 320,392	$ --
Minority interests	18,289	--
Issuance of common stock	14,740	--
Supplemental disclosure of cash flow information:		
Interest paid	$ 33,096	$ 74,443
Income taxes paid	23	60

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General

The information contained in the following notes to the consolidated financial statements is condensed from that which would appear in the annual consolidated financial statements; accordingly, the consolidated financial statements included herein should be reviewed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2000, and related notes thereto, included in the Annual Report on Form 10-K (the "Form 10-K") filed by Crown Castle International Corp. with the Securities and Exchange Commission. All references to the "Company" include Crown Castle International Corp. and its subsidiary companies unless otherwise indicated or the context indicates otherwise.

The consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at March 31, 2001 and the consolidated results of operations and consolidated cash flows for the three months ended March 31, 2000 and 2001. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the entire year.

2. New Accounting Pronouncement

On January 1, 2001, the Company adopted the requirements of Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments are recorded either in results of operations or in other comprehensive income (loss), depending on the intended use of the derivative instrument. The initial application of SFAS 133 is reported as the effect of a change in accounting principle. The adoption of SFAS 133 resulted in a net transition adjustment gain of approximately $178,000 in accumulated other comprehensive income (loss), the recognition of approximately $363,000 of derivative instrument assets and the recognition of approximately $185,000 of derivative instrument liabilities. The amounts for this transition adjustment are based on current fair value measurements at the date of adoption of SFAS 133. The Company expects that the adoption of SFAS 133 will increase the volatility of other comprehensive income (loss) as reported in its future financial statements.

The derivative instruments recognized upon the Company's adoption of SFAS 133 consist of interest rate swap agreements. Such agreements are used to manage interest rate risk on a portion of the Company's floating rate indebtedness, and are designated as cash flow hedging instruments in accordance with SFAS 133. The interest rate swap agreements have notional amounts aggregating $150,000,000 and effectively convert the interest payments on an equal amount of debt from a floating rate to a fixed rate. As such, the Company is protected from future increases in market interest rates on that portion of its indebtedness. To the extent that the interest rate swap agreements are effective in hedging the Company's interest rate risk, the changes in their fair values are recorded as other comprehensive income (loss). Amounts recorded as other comprehensive income (loss) are reclassified into results of operations in the same periods that the hedged interest costs are recorded in interest expense. The Company estimates that such reclassified amounts will be approximately $1,400,000 for the year ending December 31, 2001. To the extent that any portions of the interest rate swap agreements are deemed ineffective, the related changes in fair values are recognized in results of operations. As of March 31, 2001, the accumulated other comprehensive loss in consolidated stockholders' equity includes $3,385,000 in losses related to derivative instruments.

3. Long-term Debt

Long-term debt consists of the following:

	December 31, 2000	March 31, 2001
	(In thousands of dollars)	
2000 Credit Facility	$ 500,000	$ 550,000
CCUK Credit Facility	138,932	146,160
Crown Atlantic Credit Facility	239,000	270,000
9% Guaranteed Bonds due 2007	181,820	172,661
10 5/8% Senior Discount Notes due 2007, net of discount	206,768	212,188
10 3/8% Senior Discount Notes due 2011, net of discount	355,482	364,584
9% Senior Notes due 2011	180,000	180,000
11 1/4% Senior Discount Notes due 2011, net of discount	175,685	180,582
9 1/2% Senior Notes due 2011	125,000	125,000
10 3/4% Senior Notes due 2011	500,000	500,000
	$2,602,687	$2,701,175

Crown Atlantic Credit Facility

In March 2001, the Crown Atlantic Credit Facility was amended to increase the available borrowings to $345,000,000. Under the amended facility, the amount of available borrowings will begin to decrease on March 31, 2003.

Reporting Requirements Under the Indentures Governing the Company's Debt Securities (the "Indentures") and the Certificate of Designations Governing the Company's 12 3/4% Senior Exchangeable Preferred Stock (the "Certificate")

The following information (as such capitalized terms are defined in the Indentures and the Certificate) is presented solely as a requirement of the Indentures and the Certificate; such information is not intended as an alternative measure of financial position, operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, the Company's measure of the following information may not be comparable to similarly titled measures of other companies.

Summarized financial information for (1) the Company and its Restricted Subsidiaries and (2) the Company's Unrestricted Subsidiaries is as follows:

	March 31, 2001			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 576,246	$ 140,695	$ --	$ 716,941
Other current assets	266,764	107,545	--	374,309
Property and equipment, net	3,086,113	1,364,509	--	4,450,622
Investments	100,000	--	--	100,000
Investments in Unrestricted Subsidiaries	1,609,035	--	(1,609,035)	--
Goodwill and other intangible assets, net	186,332	909,198	--	1,095,530
Other assets, net	111,504	19,640	--	131,144
	$5,935,994	$2,541,587	$(1,609,035)	$6,868,546
Current liabilities	$ 206,904	$ 191,118	$ --	$ 398,022
Long-term debt	2,112,354	588,821	--	2,701,175
Other liabilities	21,521	77,936	--	99,457
Minority interests	77,107	74,677	--	151,784
Redeemable preferred stock	851,351	--	--	851,351
Stockholders' equity	2,666,757	1,609,035	(1,609,035)	2,666,757
	$5,935,994	$2,541,587	$(1,609,035)	$6,868,546

	Three Months Ended March 31, 2001		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)		
Net revenues	$125,771	$ 87,182	$212,953
Costs of operations (exclusive of depreciation and amortization)	67,196	45,999	113,195
General and administrative	21,547	4,348	25,895
Corporate development	3,405	48	3,453
Non-cash general and administrative compensation charges	872	523	1,395
Depreciation and amortization	41,741	32,350	74,091
Operating income (loss)	(8,990)	3,914	(5,076)
Interest and other income (expense)	1,577	1,515	3,092
Interest expense and amortization of deferred financing costs	(54,605)	(12,050)	(66,655)
Provision for income taxes	--	(60)	(60)
Minority interests	725	(81)	644
Net loss	$(61,293)	$ (6,762)	$(68,055)

Tower Cash Flow and Adjusted Consolidated Cash Flow for the Company and its Restricted Subsidiaries is as follows under (1) the indenture governing the 10 5/8% Senior Discount Notes and the Certificate (the "1997 and 1998 Securities") and (2) the indentures governing the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes, the 9 1/2% Senior Notes and the 10 3/4% Senior Notes (the "1999 and 2000 Securities"):

	1997 and 1998 Securities	1999 and 2000 Securities
	(In thousands of dollars)	
Tower Cash Flow, for the three months ended March 31, 2001	$ 32,098	$ 32,098
Consolidated Cash Flow, for the twelve months ended March 31, 2001	$ 119,838	$ 131,163
Less: Tower Cash Flow, for the twelve months ended March 31, 2001	(104,359)	(104,359)
Plus: four times Tower Cash Flow, for the three months ended March 31, 2001	128,392	128,392
Adjusted Consolidated Cash Flow, for the twelve months ended March 31, 2001	$ 143,871	$ 155,196

4. Redeemable Preferred Stock

Redeemable preferred stock ($.01 par value, 10,000,000 shares authorized) consists of the following:

	December 31, 2000	March 31, 2001
	(In thousands of dollars)	
12 3/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 2000--257,067 and March 31, 2001--265,261 (stated at mandatory redemption and aggregate liquidation value)	$258,433	$266,670
8 1/4% Cumulative Convertible Redeemable Preferred Stock; shares issued: 200,000 (stated net of unamortized value of warrants; mandatory redemption and aggregate liquidation value of $200,000)	195,383	195,486
6.25% Convertible Preferred Stock; shares issued: 8,050,000 (stated net of unamortized issue costs; mandatory redemption and aggregate liquidation value of $402,500)	388,902	389,195
	$842,718	$851,351

5. Stockholders' Equity

On January 11, 2001, the Company sold shares of its common stock in an underwritten public offering. The Company had granted the underwriters an over-allotment option to purchase additional shares in the offering. On January 12, 2001, the over-allotment option was partially exercised. As a result, the Company sold a total of 13,445,200 shares of its common stock at a price of $26.25 per share and received proceeds of $342,853,000 (after underwriting discounts of $10,084,000). The proceeds from this offering will be used for general corporate purposes.

6. Per Share Information

Per share information is based on the weighted-average number of common shares outstanding during each period for the basic computation and, if dilutive, the weighted-average number of potential common shares resulting from the assumed conversion of outstanding stock options, warrants and convertible preferred stock for the diluted computation.

A reconciliation of the numerators and denominators of the basic and diluted per share computations is as follows:

	Three Months Ended March 31, 2000	Three Months Ended March 31, 2001
	(In thousands of dollars, except per share amounts)	
Loss before extraordinary item	$(32,060)	$(68,055)
Dividends on preferred stock	(11,493)	(19,505)
Loss before extraordinary item applicable to common stock for basic and diluted computations	(43,553)	(87,560)
Extraordinary item	(1,495)	--
Net loss applicable to common stock for basic and diluted computations	$(45,048)	$(87,560)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	158,566	211,195
Per common share--basic and diluted:		
Loss before extraordinary item	$ (0.27)	$ (0.41)
Extraordinary item	(0.01)	--
Net loss	$ (0.28)	$ (0.41)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of March 31, 2001: (1) options to purchase 21,394,339 shares of common stock at exercise prices ranging from $-0- to $39.75 per share, (2) warrants to purchase 639,990 shares of common stock at an exercise price of $7.50 per share, (3) warrants to purchase 1,000,000 shares of common stock at an exercise price of $26.875 per share, (4) shares of the Company's 8 1/4% Cumulative Convertible Redeemable Preferred Stock which are convertible into 7,441,860 shares of common stock and (5) shares of the Company's 6.25% Convertible Preferred Stock which are convertible into 10,915,254 shares of common stock. The inclusion of such potential common shares in the diluted per share computations would be antidilutive since the Company incurred net losses for all periods presented.

7. Contingencies

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position or results of operations.

8. Operating Segments

The measurement of profit or loss currently used to evaluate the results of operations for the Company and its operating segments is earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Company defines EBITDA as operating income (loss) plus depreciation and amortization, non-cash general and administrative compensation charges and restructuring charges. EBITDA is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles), and the Company's measure of EBITDA may not be comparable to similarly titled measures of other companies. There are no significant revenues resulting from transactions between the Company's operating segments.

The financial results for the Company's operating segments are as follows:

	Three Months Ended March 31, 2001					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$ 62,176	$ 2,990	$ 49,368	$ 19,508	$ --	$ 134,042
Network services and other	60,605	--	9,776	8,530	--	78,911
	122,781	2,990	59,144	28,038	--	212,953
Costs of operations (exclusive of depreciation and amortization)	66,101	1,095	32,029	13,970	--	113,195
General and administrative	16,322	1,491	1,703	2,645	3,734	25,895
Corporate development	--	--	48	--	3,405	3,453
EBITDA	40,358	404	25,364	11,423	(7,139)	70,410
Non-cash general and administrative compensation charges	531	--	523	--	341	1,395
Depreciation and amortization	39,627	1,696	22,219	10,131	418	74,091
Operating income (loss)	200	(1,292)	2,622	1,292	(7,898)	(5,076)
Interest and other income (expense)	874	(144)	931	15	1,416	3,092
Interest expense and amortization of deferred financing costs	(13,467)	(43)	(7,035)	(5,015)	(41,095)	(66,655)
Provision for income taxes	--	--	(27)	(33)	--	(60)
Minority interests	(198)	923	--	(81)	--	644
Net loss	$ (12,591)	$ (556)	$ (3,509)	$ (3,822)	$(47,577)	$ (68,055)
Capital expenditures	$ 113,863	$ 486	$ 110,829	$ 26,101	$ 581	$ 251,860
Total assets (at period end)	$3,445,966	$132,461	$1,620,152	$869,866	$800,101	$6,868,546

	Three Months Ended March 31, 2000				
	CCUSA	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)				
Net revenues:					
Site rental and broadcast transmission	$31,370	$48,579	$13,792	$ --	$ 93,741
Network services and other	18,055	6,546	5,868	34	30,503
	49,425	55,125	19,660	34	124,244
Costs of operations (exclusive of depreciation and amortization)	19,383	27,934	8,822	49	56,188
General and administrative	9,980	1,026	1,797	2,050	14,853
Corporate development	--	285	--	1,786	2,071
EBITDA	20,062	25,880	9,041	(3,851)	51,132
Non-cash general and administrative compensation charges	67	54	--	340	461
Depreciation and amortization	21,154	15,553	8,119	296	45,122
Operating income (loss)	(1,159)	10,273	922	(4,487)	5,549
Interest and other income (expense)	776	185	471	4,272	5,704
Interest expense and amortization of deferred financing costs	(3,734)	(8,285)	(4,376)	(25,366)	(41,761)
Provision for income taxes	(11)	--	--	--	(11)
Minority interests	(100)	(1,303)	(138)	--	(1,541)
Extraordinary item	(1,495)	--	--	--	(1,495)
Net income (loss)	$(5,723)	$ 870	$(3,121)	$(25,581)	$(33,555)
Capital expenditures	$66,941	$20,904	$22,235	$ 347	$110,427

9. Subsequent Events

CCUK Letter of Credit

In April 2001, CCUK issued a letter of credit to one of its customers in connection with a site development agreement. The letter of credit was issued through one of CCUSA's lenders in the amount of (Pounds)100,000,000 (approximately $141,900,000) and expires on April 16, 2002.

RaiWay S.p.A.

On April 27, 2001, a wholly owned subsidiary of the Company entered into a Share Purchase Agreement for the acquisition of 49% of the outstanding capital stock of RaiWay S.p.A. ("RaiWay", a corporation organized under the laws of Italy). RaiWay is a subsidiary of RAI Radio Televisione Italiana S.p.A. ("RAI"), the Italian state-owned television and radio broadcaster. RaiWay manages over 2,300 broadcast transmission sites across Italy. The cost of the Company's investment in RaiWay will amount to approximately $383,820,000 in cash, and such amount was deposited into an escrow account upon execution of the Share Purchase Agreement. The transaction is expected to close by the end of the third quarter of 2001, and is subject to approval by the Italian regulatory authorities. The Company will account for its investment in RaiWay utilizing the equity method of accounting. The Share Purchase Agreement contemplates that the Company may transfer up to 5% of its shares in RaiWay to Poste Italiana S.p.A. ("Poste"), the Italian state-owned post office service.

Long-term Debt

On May 10, 2001, the Company issued $450,000,000 aggregate principal amount of its 9 3/8% Senior Notes for proceeds of $441,000,000 (after underwriting discounts of $9,000,000). The proceeds from the sale of these securities will be used to fund the initial interest payments on the 9 3/8% Senior Notes and for general corporate purposes. Semi-annual interest payments for the 9 3/8% Senior Notes are due on each February 1 and August 1, commencing on August 1, 2001. The maturity date of the 9 3/8% Senior Notes is August 1, 2011.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to assist in understanding our consolidated financial condition as of March 31, 2001 and our consolidated results of operations for the three-month periods ended March 31, 2000 and 2001. The statements in this discussion regarding the industry outlook, our expectations regarding the future performance of our businesses and the other nonhistorical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the uncertainties relating to decisions on capital expenditures to be made in the future by wireless carriers and broadcasters. This discussion should be read in conjunction with the response to Part I, Item 1 of this report and the consolidated financial statements of the Company, including the related notes, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Form 10-K. Any capitalized terms used but not defined in this Item have the same meaning given to them in the Form 10-K.

Results of Operations

During 2000 we completed the transactions with BellSouth, BellSouth DCS and GTE. Additionally, during 2000 Crown Atlantic acquired the Frontier towers from Bell Atlantic Mobile, and CCAL completed the substantial portion of the transaction with Cable & Wireless Optus. Results of operations of these acquired towers are included in our consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, our results of operations for the three months ended March 31, 2000 are not comparable to the results of operations for the three months ended March 31, 2001.

The following information is derived from our historical Consolidated Statements of Operations for the periods indicated.

	Three Months Ended March 31, 2000		Three Months Ended March 31, 2001	
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues
	(In thousands of dollars)			
Net revenues:				
Site rental and broadcast transmission	$ 93,741	75.4%	$134,042	62.9%
Network services and other	30,503	24.6	78,911	37.1
Total net revenues	124,244	100.0	212,953	100.0
Operating expenses:				
Costs of operations:				
Site rental and broadcast transmission	40,287	43.0	57,739	43.1
Network services and other	15,901	52.1	55,456	70.3
Total costs of operations	56,188	45.2	113,195	53.2
General and administrative	14,853	12.0	25,895	12.2
Corporate development	2,071	1.7	3,453	1.6
Non-cash general and administrative compensation charges	461	0.4	1,395	0.6
Depreciation and amortization	45,122	36.3	74,091	34.8
Operating income (loss)	5,549	4.4	(5,076)	(2.4)
Other income (expense):				
Interest and other income (expense)	5,704	4.6	3,092	1.5
Interest expense and amortization of deferred financing costs	(41,761)	(33.6)	(66,655)	(31.3)
Loss before income taxes, minority interests and extraordinary item	(30,508)	(24.6)	(68,639)	(32.2)
Provision for income taxes	(11)	--	(60)	(0.1)
Minority interests	(1,541)	(1.2)	644	0.3
Loss before extraordinary item	(32,060)	(25.8)	(68,055)	(32.0)

Extraordinary item--loss on early extinguishment of debt	(1,495)	(1.2)	--	--
Net loss	$(33,555)	(27.0)%	$(68,055)	(32.0)%

Comparison of Three Months Ended March 31, 2001 and 2000

Consolidated revenues for the three months ended March 31, 2001 were $213.0 million, an increase of $88.7 million from the three months ended March 31, 2000. This increase was primarily attributable to:

(1) a $40.3 million, or 43.0%, increase in site rental and broadcast transmission revenues, of which $0.8 million was attributable to CCUK, $5.7 million was attributable to Crown Atlantic, $3.0 million was attributable to CCAL and $30.8 million was attributable to CCUSA,

(2) a $42.6 million increase in network services and other revenues from CCUSA,

(3) a $3.2 million increase in network services and other revenues from CCUK, and

(4) a $2.7 million increase in network services and other revenues from Crown Atlantic.

Costs of operations for the three months ended March 31, 2001 were $113.2 million, an increase of $57.0 million from the three months ended March 31, 2000. This increase was primarily attributable to:

(1) a $17.5 million increase in site rental and broadcast transmission costs, of which $0.3 million was attributable to CCUK, $2.4 million was attributable to Crown Atlantic, $1.1 million was attributable to CCAL and $13.7 million was attributable to CCUSA,

(2) a $33.0 million increase in network services costs related to CCUSA,

(3) a $3.8 million increase in network services costs from CCUK, and

(4) a $2.8 million increase in network services costs from Crown Atlantic.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues were 43.1% for the three months ended March 31, 2001 as compared to 43.0% for the three months ended March 31, 2000, as lower margins attributable to the CCUSA operations were largely offset by higher margins from the CCAL and Crown Atlantic operations. Costs of operations for network services and other as a percentage of network services and other revenues increased to 70.3% for the three months ended March 31, 2001 from 52.1% for the three months ended March 31, 2000, primarily due to lower margins from the CCUSA, CCUK and Crown Atlantic operations.

General and administrative expenses for the three months ended March 31, 2001 were $25.9 million, an increase of $11.0 million from the three months ended March 31, 2000. This increase was primarily attributable to:

(1) a $6.3 million increase in expenses related to the CCUSA operations,

(2) a $1.7 million increase in expenses at our corporate office,

(3) a $0.8 million increase in expenses at Crown Atlantic,

(4) a $0.7 million increase in expenses at CCUK, and

(5) $1.5 million in expenses at CCAL.

General and administrative expenses as a percentage of revenues were 12.2% for the three months ended March 31, 2001 as compared to 12.0% for the three months ended March 31, 2000 because of higher overhead costs as a percentage of revenues for CCUK, CCAL and Crown Atlantic, largely offset by lower overhead costs as a percentage of revenues for CCUSA.

Corporate development expenses for the three months ended March 31, 2001 were $3.5 million, compared to $2.1 million for the three months ended March 31, 2000. This increase was primarily attributable to an increase in expenses at our corporate office.

For the three months ended March 31, 2001, we recorded non-cash general and administrative compensation charges of $1.4 million related to the issuance of stock and stock options to certain employees and executives, compared to $0.5 million for the three months ended March 31, 2000.

Depreciation and amortization for the three months ended March 31, 2001 was $74.1 million, an increase of $29.0 million from the three months ended March 31, 2000. This increase was primarily attributable to:

(1) a $6.7 million increase in depreciation and amortization related to the property and equipment and goodwill from CCUK,

(2) a $2.0 million increase in depreciation and amortization related to the property and equipment and goodwill from Crown Atlantic,

(3) $1.7 million of depreciation and amortization related to property and equipment from CCAL, and

(4) an $18.5 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets related to the CCUSA operations.

Interest and other income (expense) for the three months ended March 31, 2001 resulted primarily from:

(1) the investment of the net proceeds from our recent offerings, partially offset by

(2) costs incurred in connection with unsuccessful acquisition attempts.

Interest expense and amortization of deferred financing costs for the three months ended March 31, 2001 was $66.7 million, an increase of $24.9 million, or 59.6%, from the three months ended March 31, 2000. This increase was primarily attributable to interest on indebtedness at CCUSA, CCUK and Crown Atlantic, and interest on the 10 3/4% senior notes.

Minority interests represent the minority shareholder's 20% interest in CCUK's operations (prior to July 2000), the minority partner's 43.1% interest in Crown Atlantic's operations, the minority partner's 18.0% interest in the operations of the GTE joint venture and the minority shareholder's 33.3% interest in the CCAL operations.

The extraordinary loss on early extinguishment of debt for the three months ended March 31, 2000 represents the write-off of unamortized deferred financing costs related to CCUSA's prior credit facility.

Liquidity and Capital Resources

Our business strategy contemplates substantial capital expenditures:

(1) in connection with the expansion of our tower portfolios by partnering with wireless carriers to assume ownership or control of their existing towers, by pursuing build-to-suit opportunities, and by pursuing other tower acquisition opportunities, and

(2) to acquire existing transmission networks globally as opportunities arise.

Since its inception, CCIC has generally funded its activities, other than acquisitions and investments, through excess proceeds from contributions of equity capital and cash provided by operations. CCIC has financed acquisitions and investments with the proceeds from equity contributions, borrowings under our senior credit facilities, issuances of debt securities and the issuance of promissory notes to sellers. Since its inception, CCUK has generally funded its activities, other than the acquisition of the BBC home service transmission business, through cash provided by operations and borrowings under CCUK's credit facility. CCUK financed the acquisition of the BBC home service transmission business with the proceeds from equity contributions and the issuance of the CCUK bonds.

For the three months ended March 31, 2000 and 2001, our net cash provided by operating activities was $36.9 million and $44.9 million, respectively. For the three months ended March 31, 2000 and 2001, our net cash provided by financing activities was $324.9 million and $443.7 million, respectively. Our primary financing-related activities in the first five months of 2001 included the following:

January 2001 Offering

On January 11, 2001, we sold shares of our common stock in an underwritten public offering. We had granted the underwriters an over-allotment option to purchase additional shares in the offering. On January 12, 2001, the over-allotment option was partially exercised. As a result, we sold a total of 13,445,200 shares of our common stock at a price of $26.25 per share and received proceeds of $342.9 million (after underwriting discounts of $10.1 million). The proceeds from this offering will be used for general corporate purposes.

Crown Atlantic Credit Facility

In March 2001, the Crown Atlantic credit facility was amended to increase the available borrowings to $345.0 million. Under the amended facility, the amount of available borrowings will begin to decrease on March 31, 2003. During the first quarter of 2001, Crown Atlantic borrowed an additional $31.0 million under the Crown Atlantic credit facility for general corporate purposes.

May 2001 Debt Offering

On May 10, 2001, we issued $450.0 million aggregate principal amount of our 9 3/8% senior notes for proceeds of $441.0 million (after underwriting discounts of $9.0 million). The proceeds from the sale of these securities will be used to fund the initial interest payments on the 9 3/8% senior notes and for general corporate purposes.

Capital expenditures were $251.9 million for the three months ended March 31, 2001, of which $0.6 million were for CCIC, $113.9 million were for CCUSA, $26.1 million were for Crown Atlantic, $110.8 million were for CCUK and $0.5 million were for CCAL. We anticipate that we will build, through the end of 2001, approximately 1,000 towers in the United States at a cost of approximately $230.0 million and approximately 500 towers in the United Kingdom at a cost of approximately $100.0 million. We also expect to spend approximately $120.0 million in the United States to improve the structural capacity of our domestic towers.

In addition to capital expenditures in connection with build-to-suits, we have applied a significant amount of capital to finance the cash consideration paid in connection with an investment in Italy. On April 27, 2001, we entered into a Share Purchase Agreement for the acquisition of 49% of the outstanding capital stock of RaiWay S.p.A. ("RaiWay"). RaiWay is a subsidiary of RAI Radio Televisione Italiana S.p.A. ("RAI"), the Italian state-owned television and radio broadcaster. RaiWay manages over 2,300 broadcast transmission sites across Italy. The cost of our investment in RaiWay will amount to approximately $383.8 million in cash, and such amount was deposited into an escrow account upon execution of the Share Purchase Agreement. The transaction is expected to close by the end of the third quarter of 2001, and is subject to approval by the Italian regulatory authorities. We will account for our investment in RaiWay utilizing the equity method of accounting. The Share Purchase Agreement contemplates that we may transfer up to 5% of our shares in RaiWay to Poste Italiana S.p.A. ("Poste"), the Italian state-owned post office service.

We expect that the completion of the recent transactions and the execution of our new tower build, or build-to-suit program, will have a material impact on our liquidity. We expect that once integrated, these transactions will have a positive impact on liquidity, but will require some period of time to offset the initial adverse impact on liquidity. In addition, we believe that as new towers become operational and we begin to add tenants, they should result in a long-term increase in liquidity.

To fund the execution of our business strategy, including the recent transactions described above and the construction of new towers that we have agreed to build, we expect to use the net proceeds of our recent offerings and borrowings available under our U.S. and U.K. credit facilities. We will have additional cash needs to fund our operations in the future. We may also have additional cash needs in the future if additional tower acquisitions or build-to-suit opportunities arise. Some of the opportunities that we are currently pursuing could require significant additional capital. If we do not otherwise have cash available, or borrowings under our credit facilities have otherwise been utilized, when our cash need arises, we would be forced to seek additional debt or equity financing or to forego the opportunity. In the event we determine to seek additional debt or equity financing, there can be no assurance that any such financing will be available, on commercially acceptable terms or at all, or permitted by the terms of our existing indebtedness.

As of March 31, 2001, we had consolidated cash and cash equivalents of $716.9 million (including $47.1 million at CCUSA, $75.4 million at CCUK, $13.7 million at Crown Atlantic and $2.6 million at CCAL), consolidated long-term debt of $2,701.2 million, consolidated redeemable preferred stock of $851.4 million and consolidated stockholders' equity of $2,666.8 million.

As of May 10, 2001, Crown Atlantic had unused borrowing availability under its amended credit facility of approximately $75.0 million, and CCUK had unused borrowing availability under its credit facility of approximately (Pounds)35.0 million ($49.7 million). As of May 10, 2001, our subsidiaries had approximately $394.0 million of unused borrowing availability under the 2000 credit facility. Our various credit facilities require our subsidiaries to maintain certain financial covenants and place restrictions on the ability of our subsidiaries to, among other things, incur debt and liens, pay dividends, make capital expenditures, undertake transactions with affiliates and make investments. These facilities also limit the ability of the borrowing subsidiaries to pay dividends to CCIC.

If we are unable to refinance our subsidiary debt or renegotiate the terms of such debt, we may not be able to meet our debt service requirements, including interest payments on the notes, in the future. Our 9% senior notes, our 9 1/2% senior notes, our 10 3/4% senior notes and our 9 3/8% senior notes require annual cash interest payments of approximately $16.2 million, $11.9 million, $53.8 million and $42.2 million, respectively. Prior to November 15, 2002, May 15, 2004 and August 1, 2004, the interest expense on our 10 5/8% discount notes, our 10 3/8% discount notes and our 11 1/4% discount notes, respectively, will be comprised solely of the amortization of original issue discount. Thereafter, the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes will require annual cash interest payments of approximately $26.7 million, $51.9 million and $29.3 million, respectively. Prior to December 15, 2003, we do not expect to pay cash dividends on our exchangeable preferred stock or, if issued, cash interest on the exchange debentures. Thereafter, assuming all dividends or interest have been paid-in-kind, our exchangeable preferred stock or, if issued, the exchange debentures will require annual cash dividend or interest payments of approximately $47.8 million. Annual cash interest payments on the CCUK bonds are (Pounds)11.25 million ($16.0 million). In addition, our various credit facilities will require periodic interest payments on amounts borrowed thereunder, which amounts could be substantial.

As a holding company, CCIC will require distributions or dividends from its subsidiaries, or will be forced to use capital raised in debt and equity offerings, to fund its debt obligations, including interest payments on the cash-pay notes and eventually the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes. The terms of the indebtedness of our subsidiaries significantly limit their ability to distribute cash to CCIC. As a result, we will be required to apply a portion of the net proceeds from the recent debt offerings to fund interest payments on the cash-pay notes. If we do not retain sufficient funds from the offerings or any future financing, we may not be able to make our interest payments on the cash-pay notes.

Our ability to make scheduled payments of principal of, or to pay interest on, our debt obligations, and our ability to refinance any such debt obligations, will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We anticipate that we may need to refinance all or a portion of our indebtedness on or prior to its scheduled maturity. There can be no assurance that we will be able to effect any required refinancings of our indebtedness on commercially reasonable terms or at all.

Reporting Requirements Under the Indentures Governing the Company's Debt Securities (the "Indentures") and the Certificate of Designations Governing the Company's 12 3/4% Senior Exchangeable Preferred Stock the "Certificate")

The following information (as such capitalized terms are defined in the Indentures and the Certificate) is presented solely as a requirement of the Indentures and the Certificate; such information is not intended as an alternative measure of financial position, operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, our measure of the following information may not be comparable to similarly titled measures of other companies.

Summarized financial information for (1) CCIC and our Restricted Subsidiaries and (2) our Unrestricted Subsidiaries is as follows:

	March 31, 2001			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 576,246	$ 140,695	$ --	$ 716,941
Other current assets	266,764	107,545	--	374,309
Property and equipment, net	3,086,113	1,364,509	--	4,450,622
Investments	100,000	--	--	100,000
Investments in Unrestricted Subsidiaries	1,609,035	--	(1,609,035)	--
Goodwill and other intangible assets, net	186,332	909,198	--	1,095,530
Other assets, net	111,504	19,640	--	131,144
	$5,935,994	$2,541,587	$(1,609,035)	$6,868,546
Current liabilities	$ 206,904	$ 191,118	$ --	$ 398,022
Long-term debt	2,112,354	588,821	--	2,701,175
Other liabilities	21,521	77,936	--	99,457
Minority interests	77,107	74,677	--	151,784
Redeemable preferred stock	851,351	--	--	851,351
Stockholders' equity	2,666,757	1,609,035	(1,609,035)	2,666,757
	$5,935,994	$2,541,587	$(1,609,035)	$6,868,546

	Three Months Ended March 31, 2001		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)		
Net revenues	$125,771	$ 87,182	$212,953
Costs of operations (exclusive of depreciation and amortization)	67,196	45,999	113,195
General and administrative	21,547	4,348	25,895
Corporate development	3,405	48	3,453
Non-cash general and administrative compensation charges	872	523	1,395
Depreciation and amortization	41,741	32,350	74,091
Operating income (loss)	(8,990)	3,914	(5,076)
Interest and other income (expense)	1,577	1,515	3,092
Interest expense and amortization of deferred financing costs	(54,605)	(12,050)	(66,655)
Provision for income taxes	--	(60)	(60)
Minority interests	725	(81)	644
Net loss	$(61,293)	$ (6,762)	$(68,055)

Tower Cash Flow and Adjusted Consolidated Cash Flow for CCIC and our Restricted Subsidiaries is as follows under (1) the indenture governing the 10 5/8% Discount Notes and the Certificate (the "1997 and 1998 Securities") and (2) the indentures governing the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes, the 9 1/2% Senior Notes and the 10 3/4% Senior Notes (the "1999 and 2000 Securities"):

	1997 and 1998 Securities	1999 and 2000 Securities
	(In thousands of dollars)	
Tower Cash Flow, for the three months ended March 31, 2001	$ 32,098	$ 32,098
Consolidated Cash Flow, for the twelve months ended March 31, 2001	$119,838	$131,163
Less: Tower Cash Flow, for the twelve months ended March 31, 2001	(104,359)	(104,359)
Plus: four times Tower Cash Flow, for the three months ended March 31, 2001	128,392	128,392
Adjusted Consolidated Cash Flow, for the twelve months ended March 31, 2001	$143,871	$155,196

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a result of our international operating, investing and financing activities, we are exposed to market risks, which include changes in foreign currency exchange rates and interest rates which may adversely affect our results of operations and financial position. In attempting to minimize the risks and/or costs associated with such activities, we seek to manage exposure to changes in interest rates and foreign currency exchange rates where economically prudent to do so.

Certain of the financial instruments we have used to obtain capital are subject to market risks from fluctuations in market interest rates. The majority of our financial instruments, however, are long-term fixed interest rate notes and debentures. Therefore, fluctuations in market interest rates of 1% in 2001 would not have a material effect on our consolidated financial results.

The majority of our foreign currency transactions are denominated in the British pound sterling or the Australian dollar, which are the functional currencies of CCUK and CCAL, respectively. As a result of CCUK's and CCAL's transactions being denominated and settled in such functional currencies, the risks associated with currency fluctuations are generally limited to foreign currency translation adjustments. We do not currently hedge against foreign currency translation risks and believe that foreign currency exchange risk is not significant to our operations.

PART II--OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

11.1 Computation of Net Loss Per Common Share

12.1 Computation of Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends

(b) Reports on Form 8-K:

The Registrant filed a Current Report on Form 8-K dated January 16, 2001 and filed with the Securities and Exchange Commission on January 16, 2001, reporting under Item 7 thereof certain unaudited pro forma condensed consolidated financial statements of the Company.

The Registrant filed a Current Report on Form 8-K dated January 12, 2001 and filed with the Securities and Exchange Commission on January 16, 2001, reporting under Item 5 thereof that the Company had priced a public offering of 12,000,000 shares of Common Stock, with an over-allotment option of 1,800,000 shares of Common Stock.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CASTLE INTERNATIONAL CORP.

Date: May 11, 2001

/s/ W. Benjamin Moreland
By: ___________________________________
W. Benjamin Moreland
Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)

Date: May 11, 2001

/s/ Wesley D. Cunningham
By: ___________________________________
Wesley D. Cunningham
Senior Vice President, Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)

EXHIBIT 11.1

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF NET LOSS
PER COMMON SHARE
(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31,	
	2000	2001
Loss before extraordinary item................	$(32,060)	$(68,055)
Dividends on preferred stock..................	(11,493)	(19,505)
Loss before extraordinary item applicable to common stock for basic and diluted computations................................	(43,553)	(87,560)
Extraordinary item............................	(1,495)	--
Net loss applicable to common stock for basic and diluted computations.....................	$(45,048)	$(87,560)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)..........	158,566	211,195
Per common share--basic and diluted:		
Loss before extraordinary item..............	$ (0.27)	$ (0.41)
Extraordinary item............................	(0.01)	--
Net loss..................................	$ (0.28)	$ (0.41)

EXHIBIT 12.1

CROWN CASTLE INTERNATIONAL CORP.
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND
EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31,	
	2000	2001
Computation of Earnings:		
Income (loss) before income taxes, minority interests and extraordinary item	$(30,508)	$(68,639)
Add:		
Fixed charges (as computed below)	46,557	74,330
	$ 16,049	$ 5,691
Computation of Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends:		
Interest expense	$ 22,622	$ 44,494
Amortization of deferred financing costs and discounts on long-term debt	19,139	22,161
Interest component of operating lease expense	4,796	7,675
Fixed charges	46,557	74,330
Preferred stock dividends	11,493	19,505
Combined fixed charges and preferred stock dividends	$ 58,050	$ 93,835
Ratio of Earnings to Fixed Charges	--	--
Deficiency of Earnings to Cover Fixed Charges	$ 30,508	$ 68,639
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	--	--
Deficiency of Earnings to Cover Combined Fixed Charges and Preferred Stock Dividends	$ 42,001	$ 88,144