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 June 30, 2002

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 August 1, 2002: 212,990,370

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, 2001	June 30, 2002
		(Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 804,602	$ 701,375
Receivables:		
Trade, net of allowance for doubtful accounts of $24,785 and $25,194 at December 31, 2001 and June 30, 2002, respectively	188,496	170,752
Other	2,364	7,934
Short-term investments	72,963	87,460
Inventories	102,771	102,695
Prepaid expenses and other current assets	44,865	54,504
Total current assets	1,216,061	1,124,720
Property and equipment, net of accumulated depreciation of $566,837 and $721,060 at December 31, 2001 and June 30, 2002, respectively	4,844,912	4,926,574
Investments	128,500	56,500
Goodwill, net of accumulated amortization of $152,451 at December 31, 2001	1,036,914	1,040,283
Deferred financing costs and other assets, net of accumulated amortization of $32,859 and $39,344 at December 31, 2001 and June 30, 2002, respectively	149,071	151,958
	$7,375,458	$ 7,300,035
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 104,149	$ 77,072
Accrued interest	60,081	51,220
Accrued compensation and related benefits	13,553	10,333
Deferred rental revenues and other accrued liabilities	204,584	246,318
Long-term debt, current maturities	29,086	351,710
Total current liabilities	411,453	736,653
Long-term debt, less current maturities	3,394,011	3,117,257
Other liabilities	157,549	164,958
Total liabilities	3,963,013	4,018,868
Commitments and contingencies		
Minority interests	168,936	170,511
Redeemable preferred stock	878,861	898,630
Stockholders' equity:		
Common stock, $.01 par value; 689,100,000 shares authorized; shares issued: December 31, 2001--218,804,363 and June 30, 2002--221,469,520	2,188	2,215
Additional paid-in capital	3,301,023	3,320,927
Accumulated other comprehensive loss	(43,246)	(2,842)
Accumulated deficit	(895,317)	(1,108,274)
Total stockholders' equity	2,364,648	2,212,026
	$7,375,458	$ 7,300,035

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 June 30, 2001	Three Months Ended June 30, 2002	Six Months Ended June 30, 2001	Six Months Ended June 30, 2002
Net revenues:				
Site rental and broadcast transmission	$ 139,800	$171,952	$ 273,842	$ 332,216
Network services and other	89,616	53,579	168,527	113,932
	229,416	225,531	442,369	446,148
Operating expenses:				
Costs of operations (exclusive of depreciation and amortization):				
Site rental and broadcast transmission	59,555	65,946	117,294	128,012
Network services and other	63,551	45,847	119,007	89,572
General and administrative	30,465	28,732	56,360	50,520
Corporate development	3,758	1,733	7,211	3,972
Restructuring charges	--	100	--	5,952
Asset write-down charges	12,272	765	12,272	32,706
Non-cash general and administrative compensation charges	1,380	1,326	2,775	2,640
Depreciation and amortization	74,756	76,172	148,847	147,887
	245,737	220,621	463,766	461,261
Operating income (loss)	(16,321)	4,910	(21,397)	(15,113)
Other income (expense):				
Interest and other income (expense)	4,544	3,840	7,636	(2,250)
Interest expense and amortization of deferred financing costs	(73,175)	(76,388)	(139,830)	(152,707)
Loss before income taxes and minority interests	(84,952)	(67,638)	(153,591)	(170,070)
Provision for income taxes	--	(684)	(60)	(5,343)
Minority interests	219	(276)	863	3,422
Net loss	(84,733)	(68,598)	(152,788)	(171,991)
Dividends on preferred stock	(20,265)	(20,861)	(39,770)	(40,966)
Net loss after deduction of dividends on preferred stock	$(104,998)	$(89,459)	$(192,558)	$(212,957)
Net loss	$ (84,733)	$(68,598)	$(152,788)	$(171,991)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(17,872)	42,396	(45,465)	40,190
Derivative instruments:				
Net change in fair value of cash flow hedging instruments	323	(4,193)	(3,018)	(2,653)
Amounts reclassified into results of operations	356	1,448	134	2,867
Comprehensive loss before cumulative effect of change in accounting principle	(101,926)	(28,947)	(201,137)	(131,587)
Cumulative effect of change in accounting principle for derivative financial instruments	--	--	178	--
Comprehensive loss	$(101,926)	$(28,947)	$(200,959)	$(131,587)
Loss per common share--basic and diluted	$ (0.49)	$ (0.41)	$ (0.91)	$ (0.97)
Common shares outstanding--basic and diluted (in thousands)	214,059	220,897	212,627	220,159

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

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

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2002
Cash flows from operating activities:		
Net loss	$ (152,788)	$(171,991)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	148,847	147,887
Amortization of deferred financing costs and discounts on long-term debt	44,878	49,197
Asset write-down charges	12,272	32,706
Non-cash general and administrative compensation charges	2,775	2,640
Minority interests	(863)	(3,422)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase in deferred rental revenues and other liabilities	81,190	32,376
(Increase) decrease in receivables	(32,475)	16,284
(Increase) decrease in inventories, prepaid expenses and other assets	(37,414)	2,487
Decrease in accounts payable	(5,142)	(28,924)
Decrease in accrued interest	(8,403)	(9,250)
Net cash provided by operating activities	52,877	69,990
Cash flows from investing activities:		
Maturities of investments	175,000	173,500
Capital expenditures	(408,694)	(199,276)
Purchases of investments	(137,500)	(115,997)
Investments in affiliates and other, including escrow deposit	(415,249)	(21,122)
Acquisitions of businesses and assets, net of cash acquired	(151,129)	--
Net cash used for investing activities	(937,572)	(162,895)
Cash flows from financing activities:		
Proceeds from issuance of capital stock	352,295	867
Principal payments on long-term debt	--	(15,245)
Purchase of capital stock	--	(3,996)
Proceeds from issuance of long-term debt	450,000	--
Net borrowings under revolving credit agreements	281,829	--
Proceeds from issuance of subsidiary stock to minority shareholder	16,434	--
Incurrence of financing costs	(11,791)	--
Net cash provided by (used for) financing activities	1,088,767	(18,374)
Effect of exchange rate changes on cash	1,129	8,052
Net increase (decrease) in cash and cash equivalents	205,201	(103,227)
Cash and cash equivalents at beginning of period	453,833	804,602
Cash and cash equivalents at end of period	$ 659,034	$ 701,375
Supplemental disclosure of cash flow information:		
Interest paid	$ 104,267	$ 111,771
Income taxes paid	60	190

See condensed notes to consolidated financial statements.

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, 2001, 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 June 30, 2002, the consolidated results of operations for the three and six months ended June 30, 2001 and 2002, and the consolidated cash flows for the six months ended June 30, 2001 and 2002. 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. Certain reclassifications have been made to the prior period's financial statements to be consistent with the presentation in the current period.

2. New Accounting Pronouncements

Derivative Instruments

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 $5,900,000 for the year ending December 31, 2002. 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 June 30, 2002, the accumulated other comprehensive loss in consolidated stockholders' equity includes $7,778,000 in losses related to derivative instruments.

Business Combinations, Goodwill and Long-Lived Assets

In July 2001, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"), and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142"). SFAS 141 prohibits the use of the pooling-of-interests method of accounting for business combinations, and requires that the purchase method be used for all business combinations after June 30, 2001. SFAS 141 also changes the manner in which acquired intangible assets are identified and recognized apart from goodwill. Further, SFAS 141 requires additional disclosures regarding the reasons for business combinations, the allocation of the purchase price to recognized assets and liabilities and the recognition of goodwill and other intangible assets. The Company has used the purchase method of accounting since its inception, so the adoption of SFAS 141 will not change its method of accounting for business combinations. The Company has adopted the other recognition and disclosure requirements of SFAS 141 as of July 1, 2001 for any future business combinations. The transition provisions of SFAS 141 require that the carrying amounts for goodwill and other intangible assets acquired in prior purchase method business combinations be reviewed and reclassified in accordance with the new recognition rules; such reclassifications are to be made in conjunction with the adoption of SFAS 142. The application of these transition provisions of SFAS 141 as of January 1, 2002 resulted in a reclassification of other intangible assets with finite useful lives (the value of site rental contracts from the acquisition of Crown Communication) to deferred financing costs and other assets on the Company's consolidated balance sheet. The gross carrying amount, accumulated amortization and net book value of such reclassified intangible assets were $26,000,000, $11,483,000 and $14,517,000 at January 1, 2002, respectively, and $26,000,000, $12,209,000 and $13,791,000 at June 30, 2002, respectively. The net book value of these intangible assets will be amortized using a revised life of 10 years, resulting in amortization expense of $1,452,000 for each of the years ending December 31, 2002 through 2006. The Company has no other intangible assets from prior business combinations.

SFAS 142 changes the accounting and disclosure requirements for acquired goodwill and other intangible assets. The most significant provision of SFAS 142 is that goodwill and other intangible assets with indefinite useful lives will no longer be amortized, but rather will be tested for impairment on an annual basis. This annual impairment test will involve (1) a step to identify potential impairment at a reporting unit level based on fair values, and (2) a step to measure the amount of the impairment, if any. Intangible assets with finite useful lives will continue to be amortized over such lives, and tested for impairment in accordance with the Company's existing policies. SFAS 142 requires disclosures about goodwill and other intangible assets in the periods subsequent to their acquisition, including (1) changes in the carrying amount of goodwill, in total and by operating segment, (2) the carrying amounts of intangible assets subject to amortization and those which are not subject to amortization, (3) information about impairment losses recognized, and (4) the estimated amount of intangible asset amortization expense for the next five years. The provisions of SFAS 142 are effective for fiscal years beginning after December 15, 2001. In addition, the nonamortization provisions of SFAS 142 were to be immediately applied for goodwill and other intangible assets acquired in business combinations subsequent to June 30, 2001. The Company has adopted the requirements of SFAS 142 as of January 1, 2002. SFAS 142 requires that transitional impairment tests be performed at its adoption, and provides that resulting impairment losses for goodwill and other intangible assets with indefinite useful lives be reported as the effect of a change in accounting principle. The Company has completed its transitional impairment tests and has determined that no impairment losses for goodwill and other intangible assets will be recorded as a result of the adoption of SFAS 142. The Company expects that its depreciation and amortization expense will decrease by approximately

$60,617,000 per year as a result of the adoption of SFAS 142. If amortization of goodwill had not been recorded, and if amortization of other intangible assets had been recorded using the revised life, the Company's net loss and loss per share for the three and six months ended June 30, 2001 would have been as follows:

	Three Months Ended June 30, 2001	Six Months Ended June 30, 2001
	(In thousand of dollars, except per share amounts)	
Net loss, as reported	$(84,733)	$(152,788)
Add back: amortization of goodwill	15,048	30,139
Adjust: amortization of other intangible assets	287	574
Net loss, as adjusted	(69,398)	(122,075)
Dividends on preferred stock	(20,265)	(39,770)
Net loss applicable to common stock for basic and diluted computations, as adjusted	$(89,663)	$(161,845)
Per common share--basic and diluted:		
Net loss, as reported	$ (0.49)	$ (0.91)
Amortization of goodwill	0.07	0.14
Adjustment for amortization of other intangible assets	--	0.01
Net loss, as adjusted	$ (0.42)	$ (0.76)

A summary of goodwill by operating segment is as follows:

	Six Months Ended June 30, 2002			
	CCUSA	CCUK	Crown Atlantic	Consolidated Total
	(In thousands of dollars)			
Balance at beginning of period	$164,023	$817,514	$55,377	$1,036,914
Effect of exchange rate changes	--	3,369	--	3,369
Balance at end of period	$164,023	$820,883	$55,377	$1,040,283

In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"). SFAS 144 supersedes Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("SFAS 121"), but retains many of its fundamental provisions. SFAS 144 also clarifies certain measurement and classification issues from SFAS 121. In addition, SFAS 144 supersedes the accounting and reporting provisions for the disposal of a business segment as found in Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions ("APB 30"). However, SFAS 144 retains the requirement in APB 30 to separately report discontinued operations, and broadens the scope of such requirement to include more types of disposal transactions. The scope of SFAS 144 excludes goodwill and other intangible assets that are not to be amortized, as the accounting for such items is prescribed by SFAS 142. The provisions of SFAS 144 are effective for fiscal years beginning after December 15, 2001, and are to be applied prospectively. The adoption of the requirements of SFAS 144 as of January 1, 2002 had no impact on the Company's consolidated financial statements.

Other Pronouncements

In April 2002, the FASB issued Statement of Financial Accounting Standards No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections ("SFAS 145"). SFAS 145 amends or rescinds a number of authoritative pronouncements, including Statement of Financial Accounting Standards No. 4, Reporting Gains and Losses from Extinguishment of Debt ("SFAS 4"). SFAS 4 required that gains and losses from extinguishment of debt that were included in the determination of net income or loss be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. Upon adoption of SFAS 145, gains and losses from extinguishment of debt will no longer be classified as an extraordinary item, but rather will generally be classified as part of other income (expense) on the Company's consolidated statement of operations. Any such gains or losses classified as an extraordinary item in prior periods will be reclassified in future financial statement presentations. The provisions of SFAS 145 related to the rescission of SFAS 4 are effective for fiscal years beginning after May 15, 2002, with early application encouraged. The Company will adopt the provisions of SFAS 145 no later than January 1, 2003.

In July 2002, the FASB issued Statement of Financial Accounting Standards No. 146, Accounting for Costs Associated with Exit or Disposal Activities ("SFAS 146"). SFAS 146 replaces the previous accounting guidance provided by Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" ("EITF 94-3"). SFAS 146 requires that costs associated with exit or disposal activities be recognized when they are incurred, rather than at the date of a commitment to an exit or disposal plan (as provided by EITF 94-3). Examples of costs covered by SFAS 146 include certain employee severance costs and lease termination costs that are associated with a restructuring or discontinued operation. The provisions of SFAS 146 are effective for exit or disposal activities initiated after December 31, 2002, and are to be applied prospectively. The Company will adopt the requirements of SFAS 146 as of January 1, 2003.

3. Long-term Debt

Long-term debt consists of the following:

	December 31, 2001	June 30, 2002
	(In thousands of dollars)	
2000 Credit Facility	$ 700,000	$ 700,000
CCUK Credit Facility	172,050	165,439
Crown Atlantic Credit Facility	300,000	300,000
9% Guaranteed Bonds due 2007	177,401	186,271
10 5/8% Senior Discount Notes due 2007, net of discount	229,321	241,504
10 3/8% Senior Discount Notes due 2011, net of discount	393,320	413,723
9% Senior Notes due 2011	180,000	180,000
111/4% Senior Discount Notes due 2011, net of discount	196,005	207,030
91/2% Senior Notes due 2011	125,000	125,000
103/4% Senior Notes due 2011	500,000	500,000
9 3/8% Senior Notes due 2011	450,000	450,000
	3,423,097	3,468,967
Less: current maturities	(29,086)	(351,710)
	$3,394,011	$3,117,257

CCUK Credit Facility

In April 2002, ITV Digital ("ITVD"), a significant customer of CCUK, announced plans to liquidate its assets and returned its digital terrestrial television licenses to the UK Independent Television Commission (See

Note 9). The termination of the ITVD transmission contract is a Termination Event (a defined event of default) under the CCUK Credit Facility. The Company has entered into discussions with the banks in order to obtain an amendment to the CCUK Credit Facility such that the Termination Event would be cured. Based on these preliminary discussions, the Company does not currently believe that it will be required to prepay the outstanding borrowings under the CCUK Credit Facility as a result of this event of default. However, there can be no assurance that such an amendment can be obtained. As a result, the Company has reclassified all the outstanding borrowings under the CCUK Credit Facility as current liabilities on its consolidated balance sheet as of June 30, 2002.

If the Company is unable to obtain an amendment to the CCUK Credit Facility as discussed above, the uncured Termination Event would result in an event of default under the trust deed governing the 9% Guaranteed Bonds due 2007 (the "CCUK Bonds"). As a result, the Company has also reclassified the principal amount of the CCUK Bonds as a current liability on its consolidated balance sheet as of June 30, 2002. None of the Company's other debt instruments, including the public debt securities and the two U.S. bank credit facilities, contain default provisions related to the ITVD transmission contract. Furthermore, none of these other debt instruments contain cross default provisions with either of the CCUK debt instruments. As such, the events of default under the two CCUK debt instruments do not constitute events of default under any of the Company's other debt instruments.

Reporting Requirements Under the Indentures Governing the Company's Debt Securities (the "Indentures") and the Certificate of Designations Governing the Company's 123/4% 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:

	June 30, 2002			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 188,590	$ 512,785	$ --	$ 701,375
Other current assets	287,642	135,703	--	423,345
Property and equipment, net	3,334,405	1,592,169	--	4,926,574
Investments	56,500	--	--	56,500
Investments in Unrestricted Subsidiaries	2,117,542	--	(2,117,542)	--
Goodwill	164,023	876,260	--	1,040,283
Other assets, net	124,611	27,347	--	151,958
	$6,273,313	$3,144,264	$(2,117,542)	$7,300,035
Current liabilities	$ 212,082	$ 524,571	$ --	$ 736,653
Long-term debt, less current maturities	2,817,257	300,000	--	3,117,257
Other liabilities	38,063	126,895	--	164,958
Minority interests	95,255	75,256	--	170,511
Redeemable preferred stock	898,630	--	--	898,630
Stockholders' equity	2,212,026	2,117,542	(2,117,542)	2,212,026
	$6,273,313	$3,144,264	$(2,117,542)	$7,300,035

	Three Months Ended June 30, 2002			Six Months Ended June 30, 2002		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$124,572	$100,959	$225,531	$ 246,820	$199,328	$ 446,148
Costs of operations (exclusive of depreciation and amortization)	60,027	51,766	111,793	116,594	100,990	217,584
General and administrative	21,304	7,428	28,732	39,588	10,932	50,520
Corporate development	1,733	--	1,733	3,972	--	3,972
Restructuring charges	96	4	100	2,222	3,730	5,952
Asset write-down charges	597	168	765	24,318	8,388	32,706
Non-cash general and administrative compensation charges	872	454	1,326	1,744	896	2,640
Depreciation and amortization	50,840	25,332	76,172	98,624	49,263	147,887
Operating income (loss)	(10,897)	15,807	4,910	(40,242)	25,129	(15,113)
Interest and other income (expense)	(6,883)	10,723	3,840	(7,482)	5,232	(2,250)
Interest expense and amortization of deferred financing costs	(65,231)	(11,157)	(76,388)	(129,348)	(23,359)	(152,707)
Provision for income taxes	(102)	(582)	(684)	(190)	(5,153)	(5,343)
Minority interests	1,032	(1,308)	(276)	2,555	867	3,422
Net income (loss)	$(82,081)	$ 13,483	$(68,598)	$(174,707)	$ 2,716	$(171,991)

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% 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 111/4% Discount Notes, the 91/2% Senior Notes, the 103/4% Senior Notes and the 9 3/8% Senior Notes (the "1999, 2000 and 2001 Securities"):

	1997 and 1998 Securities	1999, 2000 and 2001 Securities
	(In thousands of dollars)	
Tower Cash Flow, for the three months ended June 30, 2002	$ 50,753	$ 50,753
Consolidated Cash Flow, for the twelve months ended June 30, 2002	$ 174,585	$ 182,737
Less: Tower Cash Flow, for the twelve months ended June 30, 2002.	(185,198)	(185,198)
Plus: four times Tower Cash Flow, for the three months ended June 30, 2002	203,012	203,012
Adjusted Consolidated Cash Flow, for the twelve months ended June 30, 2002	$ 192,399	$ 200,551

CCUK Letter of Credit

In April 2002, 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)50,000,000 (approximately $76,225,000) and expires on March 31, 2003.

4. Redeemable Preferred Stock

Redeemable preferred stock ($.01 par value, 20,000,000 shares authorized) consists of the following:

	December 31, 2001	June 30, 2002
	(In thousands of dollars)	
123/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 2001--291,444 and June 30, 2002--310,320 (stated at mandatory redemption and aggregate liquidation value)	$292,992	$311,968
81/4% 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)	195,793	195,999
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)	390,076	390,663
	$878,861	$898,630

In June of 2002, the Company paid its quarterly dividend on the 81/4% Convertible Preferred Stock by issuing 900,000 shares of its common stock. As allowed by the Deposit Agreement relating to dividend payments on the 81/4% Convertible Preferred Stock, the Company then repurchased the 900,000 shares of common stock from the dividend paying agent for $3,996,000 in cash. The Company utilized cash from an Unrestricted investment subsidiary to effect the stock repurchase. The Company may choose to continue such issuances and repurchases of stock in the future in order to avoid further dilution caused by the issuance of common stock as dividends on its preferred stock.

5. 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 June 30,		Six Months Ended June 30,	
	2001	2002	2001	2002
	(In thousands of dollars, except per share amounts)			
Net loss	$ (84,733)	$(68,598)	$(152,788)	$(171,991)
Dividends on preferred stock	(20,265)	(20,861)	(39,770)	(40,966)
Net loss applicable to common stock for basic and diluted computations	$(104,998)	$(89,459)	$(192,558)	$(212,957)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	214,059	220,897	212,627	220,159
Loss per common share--basic and diluted	$ (0.49)	$ (0.41)	$ (0.91)	$ (0.97)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of June 30, 2002: (1) options to purchase 23,927,996 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 81/4% 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

6. Commitments and 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.

7. 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, as adjusted ("Adjusted EBITDA"). The Company defines Adjusted EBITDA as operating income (loss) plus depreciation and amortization, non-cash general and administrative compensation charges, asset write-down charges and restructuring charges. Adjusted 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 Adjusted 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 June 30, 2002					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$ 80,321	$ 6,170	$ 62,409	$ 23,052	$ --	$ 171,952
Network services and other	37,505	576	8,934	6,564	--	53,579
	117,826	6,746	71,343	29,616	--	225,531
Costs of operations (exclusive of depreciation and amortization)	57,580	2,447	38,385	13,381	--	111,793
General and administrative	15,686	1,518	6,346	993	4,189	28,732
Corporate development	--	--	--	--	1,733	1,733
Adjusted EBITDA	44,560	2,781	26,612	15,242	(5,922)	83,273
Restructuring charges (credits)	(277)	--	4	--	373	100
Asset write-down charges	597	--	--	168	--	765
Non-cash general and administrative compensation charges	531	--	454	--	341	1,326
Depreciation and amortization	47,006	3,433	14,926	10,344	463	76,172
Operating income (loss)	(3,297)	(652)	11,228	4,730	(7,099)	4,910
Interest and other income (expense)	(572)	133	1,119	190	2,970	3,840
Interest expense and amortization of deferred financing costs	(9,852)	(863)	(6,409)	(4,748)	(54,516)	(76,388)
Provision for income taxes	--	(102)	(582)	--	--	(684)
Minority interests	457	575	--	(1,308)	--	(276)
Net income (loss)	$ (13,264)	$ (909)	$ 5,356	$ (1,136)	$(58,645)	$ (68,598)
Capital expenditures	$ 31,354	$ 1,187	$ 87,476	$ 6,278	$ --	$ 126,295
Total assets (at period end)	$3,498,942	$279,621	$1,867,318	$904,904	$749,250	$7,300,035

	Six Months Ended June 30, 2002					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$159,574	$11,183	$115,864	$45,595	$ --	$ 332,216
Network services and other	74,854	1,209	24,879	12,990	--	113,932
	234,428	12,392	140,743	58,585	--	446,148
Costs of operations (exclusive of depreciation and amortization)	111,512	5,082	75,241	25,749	--	217,584
General and administrative	28,915	2,779	8,073	2,730	8,023	50,520
Corporate development	--	--	--	--	3,972	3,972
Adjusted EBITDA	94,001	4,531	57,429	30,106	(11,995)	174,072
Restructuring charges (credits)	(277)	--	3,730	--	2,499	5,952
Asset write-down charges	24,318	--	431	7,957	--	32,706
Non-cash general and administrative compensation charges	1,063	--	896	--	681	2,640
Depreciation and amortization	91,250	6,619	28,399	20,613	1,006	147,887
Operating income (loss)	(22,353)	(2,088)	23,973	1,536	(16,181)	(15,113)
Interest and other income (expense)	(1,315)	295	(4,450)	171	3,049	(2,250)
Interest expense and amortization of deferred financing costs	(19,147)	(1,689)	(13,961)	(9,398)	(108,512)	(152,707)
Provision for income taxes	--	(190)	(5,153)	--	--	(5,343)
Minority interests	1,276	1,279	--	867	--	3,422
Net income (loss)	$(41,539)	$(2,393)	$ 409	$(6,824)	$(121,644)	$(171,991)
Capital expenditures	$ 72,985	$ 4,143	$105,144	$16,675	$ 329	$ 199,276

	Three Months Ended June 30, 2001					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$ 64,609	$ 4,471	$ 50,694	$20,026	$ --	$139,800
Network services and other	74,325	525	6,240	8,526	--	89,616
	138,934	4,996	56,934	28,552	--	229,416
Costs of operations (exclusive of depreciation and amortization)	76,106	2,271	31,663	13,066	--	123,106
General and administrative	16,872	1,735	5,316	2,536	4,006	30,465
Corporate development	--	--	--	--	3,758	3,758
Adjusted EBITDA	45,956	990	19,955	12,950	(7,764)	72,087
Asset write-down charges	3,969	--	3,785	767	3,751	12,272
Non-cash general and administrative compensation charges	532	--	508	--	340	1,380
Depreciation and amortization	39,255	3,064	22,051	9,938	448	74,756
Operating income (loss)	2,200	(2,074)	(6,389)	2,245	(12,303)	(16,321)
Interest and other income (expense)	665	219	815	155	2,690	4,544
Interest expense and amortization of deferred financing costs	(13,798)	(752)	(6,497)	(5,148)	(46,980)	(73,175)
Provision for income taxes	--	--	--	--	--	--
Minority interests	(171)	853	--	(463)	--	219
Net loss	$(11,104)	$(1,754)	$(12,071)	$(3,211)	$(56,593)	$(84,733)
Capital expenditures	$ 98,475	$ 171	$ 28,818	$27,248	$ 2,122	$156,834

	Six Months Ended June 30, 2001					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$126,785	$ 7,461	$100,062	$ 39,534	$ --	$ 273,842
Network services and other	134,930	525	16,016	17,056	--	168,527
	261,715	7,986	116,078	56,590	--	442,369
Costs of operations (exclusive of depreciation and amortization)	142,207	3,366	63,692	27,036	--	236,301
General and administrative	33,194	3,226	7,019	5,181	7,740	56,360
Corporate development	--	--	48	--	7,163	7,211
Adjusted EBITDA	86,314	1,394	45,319	24,373	(14,903)	142,497
Asset write-down charges	3,969	--	3,785	767	3,751	12,272
Non-cash general and administrative compensation charges	1,063	--	1,031	--	681	2,775
Depreciation and amortization	78,882	4,760	44,270	20,069	866	148,847
Operating income (loss)	2,400	(3,366)	(3,767)	3,537	(20,201)	(21,397)
Interest and other income (expense)	1,539	75	1,746	170	4,106	7,636
Interest expense and amortization of deferred financing costs	(27,265)	(795)	(13,532)	(10,163)	(88,075)	(139,830)
Provision for income taxes	--	--	(27)	(33)	--	(60)
Minority interests	(369)	1,776	--	(544)	--	863
Net loss	$(23,695)	$(2,310)	$(15,580)	$ (7,033)	$(104,170)	$(152,788)
Capital expenditures	$212,338	$ 657	$139,647	$ 53,349	$ 2,703	$ 408,694

8. Restructuring Charges and Asset Write-Down Charges

The Company recorded asset write-down charges of $12,272,000 during the six months ended June 30, 2001 in connection with the restructuring of its business announced in July 2001. Such non-cash charges related to the write-down of certain inventories, property and equipment, and other assets that were deemed to have no value as a result of the restructuring. A summary of the asset write-down charges by operating segment is as follows:

	Six Months Ended June 30, 2001				
	CCUSA	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)				
Inventories	$ --	$3,785	$ --	$ --	$ 3,785
Property and equipment	3,969	--	767	456	5,192
Other assets	--	--	--	3,295	3,295
	$3,969	$3,785	$767	$3,751	$12,272

For the six months ended June 30, 2002, the Company recorded cash charges of $3,730,000 in connection with a restructuring of its CCUK business announced in March 2002. Such charges relate to staff redundancies and the disposition of certain service lines. The Company expects that the total charges reflected in its 2002 results of operations for this CCUK restructuring will be between approximately $7,000,000 and $13,000,000. For the six months ended June 30, 2002, the Company also recorded cash charges of $2,499,000 related to additional employee severance payments at its corporate office in connection with the July 2001 restructuring. At December 31, 2001 and June 30, 2002, other accrued liabilities includes $6,591,000 and $1,786,000, respectively, related to restructuring charges. A summary of the restructuring charges by operating segment is as follows:

	Six Months Ended June 30, 2002				
	CCUSA	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)				
Amounts accrued at beginning of period:					
Employee severance	$1,126	$ 357	$ 230	$ 3,568	$ 5,281
Costs of office closures and other	1,075	--	235	--	1,310
	2,201	357	465	3,568	6,591
Amounts charged (credited) to expense:					
Employee severance	--	3,399	--	2,397	5,796
Costs of office closures and other	(277)	331	--	102	156
Total restructuring charges (credits)	(277)	3,730	--	2,499	5,952
Amounts paid:					
Employee severance	(685)	(3,450)	(153)	(5,882)	(10,170)
Costs of office closures and other	(185)	(278)	(55)	(69)	(587)
	(870)	(3,728)	(208)	(5,951)	(10,757)
Amounts accrued at end of period:					
Employee severance	441	306	77	83	907
Costs of office closures and other	613	53	180	33	879
	$1,054	$ 359	$ 257	$ 116	$ 1,786

During the six months ended June 30, 2002, the Company abandoned a portion of its construction in process related to certain open projects and recorded related asset write-down charges of $24,318,000 for CCUSA and $7,957,000 for Crown Atlantic. For the six months ended June 30, 2002, the Company also recorded asset write-down charges of $431,000 for CCUK related to certain inventories and property and equipment.

9. ITV Digital

From 1999 to March 2002, pursuant to a digital transmission contract with an original term of twelve years, CCUK was responsible for the transmission of the ITV Digital ("ITVD") signal through the CCUK-owned digital terrestrial television ("DTT") network to approximately 1.2 million subscribers in the U.K. In April 2002, after a U.K. court approved an application by ITVD to be placed into administration (similar to a Chapter 11 bankruptcy proceeding in the United States) and unsuccessful efforts by the administrator to sell the ITVD business as a going concern, ITVD announced plans to liquidate its assets and returned its DTT licenses to the UK Independent Television Commission ("ITC"). CCUK had gross revenues of approximately $27,600,000 annually under the ITVD transmission contract. ITVD represented approximately 12% of the 2001 gross revenues of CCUK and approximately 3% of the 2001 consolidated gross revenues of the Company.

Following the return of the licenses by ITVD, the ITC announced a process for reawarding the three digital multiplex licenses which ITVD previously held. In June 2002, CCUK and the BBC submitted linked applications for these licenses. On July 4, 2002, the ITC conditionally awarded the license for one multiplex to the BBC and the license for two multiplexes to CCUK. No license fees were paid to the UK government with respect to the award of the multiplex licenses other than an approximately $38,000 application fee per multiplex.

CCUK has entered into a preliminary agreement with the BBC to provide a transmission and distribution service for the multiplex awarded to the BBC. CCUK has also entered into a preliminary agreement with BSkyB to provide a transmission, distribution and multiplexing service in relation to 75% of the available capacity of one of the multiplexes awarded to CCUK. CCUK expects to enter into additional agreements to provide transmission, distribution and multiplexing services to channel providers for the other multiplex capacity awarded to CCUK. Starting in the first quarter of 2003, CCUK expects to generate annual revenues from the BBC, BSkyB and other broadcasters of between approximately $26,000,000 and $30,000,000 from the provision of transmission, distribution and multiplexing services related to the new multiplex licenses.

CCUK has already invested, as a result of its previous contract with ITVD, substantially all of the capital required to provide the services described above. CCUK expects to invest approximately an additional $3,000,000 to increase the power of the transmission network at a number of sites. CCUK is already incurring, again by virtue of its previous contract with ITVD, substantially all of the operating costs required to provide these services (including payments to British Telecom for distribution circuits and payments to NTL for site rental). In total, CCUK is incurring annual operating expenses of between approximately $20,000,000 and $23,000,000 from the provision of transmission, distribution and multiplexing services to the BBC, BSkyB and other broadcasters related to the new multiplex licenses. The termination of the ITVD transmission contract is a Termination Event under the CCUK credit facility (see Note 3).

10. Subsequent Event

In July of 2002, the Company repurchased 8,500,000 shares of its common stock for $18,275,000 in cash. The shares purchased by the Company represented all of the remaining shares previously owned by affiliates of France Telecom. The purchase was conducted through a privately negotiated transaction. The Company utilized cash from an Unrestricted investment subsidiary to effect the stock repurchase.

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 June 30, 2002 and our consolidated results of operations for the three- and six-month periods ended June 30, 2001 and 2002. 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, assumptions 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, the success or failure of our efforts to implement our business strategy and the following:

- Our substantial level of indebtedness could adversely affect our ability to react to changes in our business and limit our ability to use debt to fund future capital needs.
- If we are unable to service our indebtedness, our indebtedness may be accelerated.
- Our business depends on the demand for wireless communications, which may be lower or slower than anticipated.
- The continuation of the current economic and telecommunications industry slowdown could materially and adversely affect our business and the business of our customers.
- We may be unable to manage our significant growth.
- The loss, consolidation or financial instability of any of our limited number of customers could materially decrease revenues.
- Restrictive covenants on our debt instruments may limit our ability to take actions that may be in our best interests.
- We operate in an increasingly competitive industry and many of our competitors have significantly more resources than we do.
- Technology changes may significantly reduce the demand for towers.
- 2.5G/3G and other technologies may not deploy or be adopted by customers as rapidly or in the manner projected.
- Carrier consolidation or reduced carrier expansion may significantly reduce the demand for towers and wireless communication sites.
- Network sharing and other agreements among our customers may act as alternatives to leasing sites from us.
- We may not be able to construct or acquire new towers at the pace and in the locations that we desire.
- Demand for our network services business is very volatile which causes our network services operating results to vary significantly for any particular period.
- We anticipate significant capital expenditures and may need additional financing which may not be available.
- We generally lease or sublease the land under our towers and may not be able to maintain these leases.
- Extensive regulations, which could change at any time, govern our business and industry, and we could fail to comply with these regulations.
- We could suffer from future claims if radio frequency emissions from equipment on our towers are demonstrated to cause negative health effects.
- Our international operations expose us to changes in foreign currency exchange rates.
- We are heavily dependent on our senior management.
- Sales or issuances, including as dividends, of a substantial number of shares of our common stock could adversely affect the market price of our common stock.

. Disputes with customers and suppliers have recently increased.

. Economic viability or acceptance of digital terrestrial broadcasting.

Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. More information about potential factors which could affect the Company's financial results is included in the Risk Factors sections of the Company's filings with the Securities and Exchange Commission.

The following 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 2001 we completed the transactions with BellSouth and BellSouth DCS. 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 and six months ended June 30, 2001 are not comparable to the results of operations for the three and six months ended June 30, 2002.

During the first six months of 2002, the level of capital expenditures from US wireless carriers for new tower sites has generally been less than levels experienced in 2001. As a result, the pace at which we have been able to add new tenants to our sites has decreased during 2002.

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

	Three Months Ended June 30, 2001		Three Months Ended June 30, 2002		Six Months Ended June 30, 2001		Six Months Ended June 30, 2002	
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues
	(In thousands of dollars)							
Net revenues:								
Site rental and broadcast transmission..............	$139,800	60.9%	$171,952	76.2%	$ 273,842	61.9%	$ 332,216	74.5%
Network services and other..	89,616	39.1	53,579	23.8	168,527	38.1	113,932	25.5
Total net revenues......	229,416	100.0	225,531	100.0	442,369	100.0	446,148	100.0
Operating expenses:								
Costs of operations:								
Site rental and broadcast transmission.............	59,555	42.6	65,946	38.4	117,294	42.8	128,012	38.5
Network services and other.....................	63,551	70.9	45,847	85.6	119,007	70.6	89,572	78.6
Total costs of operations............	123,106	53.7	111,793	49.6	236,301	53.4	217,584	48.8
General and administrative..	30,465	13.3	28,732	12.7	56,360	12.7	50,520	11.3
Corporate development.......	3,758	1.6	1,733	0.8	7,211	1.6	3,972	0.9
Restructuring charges.......	--	--	100	--	--	--	5,952	1.3
Asset write-down charges....	12,272	5.3	765	0.3	12,272	2.8	32,706	7.3
Non-cash general and administrative compensation charges.......	1,380	0.6	1,326	0.6	2,775	0.6	2,640	0.6
Depreciation and amortization..............	74,756	32.6	76,172	33.8	148,847	33.7	147,887	33.2
Operating income (loss).......	(16,321)	(7.1)	4,910	2.2	(21,397)	(4.8)	(15,113)	(3.4)
Other income (expense):								
Interest and other income (expense)..................	4,544	2.0	3,840	1.7	7,636	1.7	(2,250)	(0.5)
Interest expense and amortization of deferred financing costs...........	(73,175)	(31.9)	(76,388)	(33.9)	(139,830)	(31.6)	(152,707)	(34.2)
Loss before income taxes and minority interests...........	(84,952)	(37.0)	(67,638)	(30.0)	(153,591)	(34.7)	(170,070)	(38.1)
Provision for income taxes....	--	--	(684)	(0.3)	(60)	--	(5,343)	(1.2)
Minority interests...........	219	0.1	(276)	(0.1)	863	0.2	3,422	0.7

Net loss	$(84,733)	(36.9)%	$(68,598)	(30.4)%	$(152,788)	(34.5)%	$(171,991)	(38.6)%

Comparison of Three Months Ended June 30, 2002 and 2001

Consolidated revenues for the three months ended June 30, 2002 were $225.5 million, a decrease of $3.9 million from the three months ended June 30, 2001. This decrease was primarily attributable to:

(1) a $36.8 million decrease in network services and other revenues from CCUSA and

(2) a $2.0 million decrease in network services and other revenues from Crown Atlantic, partially offset by

(3) a $32.2 million, or 23.0%, increase in site rental and broadcast transmission revenues, of which $11.7 million was attributable to CCUK, $3.0 million was attributable to Crown Atlantic, $1.7 million was attributable to CCAL and $15.7 million was attributable to CCUSA, and

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

The following is a summary of tenant leasing activity on our tower sites:

	Three Months Ended June 30, 2001	Three Months Ended June 30, 2002
New tenants added on existing, newly constructed and acquired tower sites, net:		
CCUSA (includes 130 tenants from acquired tower sites in 2001).............	1,058	479
Crown Atlantic..	192	75
CCUK (includes 459 tenants from acquired tower sites in 2001)...............	1,156	379
CCAL (includes 1,054 tenants from acquired tower sites in 2001)............	1,141	112
	3,547	1,045
Average monthly lease rate per new tenant added on existing tower sites:		
CCUSA and Crown Atlantic...	$1,498	$1,476
CCUK...	686	1,078
CCAL...	608	650

The increases in site rental and broadcast transmission revenues reflect the new tenant additions on our tower sites. The increases or decreases in network services and other revenues reflect fluctuations in demand for antenna installation from our tenants along with fluctuations in third party service work.

Costs of operations for the three months ended June 30, 2002 were $111.8 million, a decrease of $11.3 million from the three months ended June 30, 2001. This decrease was primarily attributable to:

(1) a $21.1 million decrease in network services costs related to CCUSA and

(2) a $0.5 million decrease in network services costs from Crown Atlantic, partially offset by

(3) a $6.4 million increase in site rental and broadcast transmission costs, of which $2.7 million was attributable to CCUK, $0.8 million was attributable to Crown Atlantic, $0.3 million was attributable to CCAL and $2.6 million was attributable to CCUSA, and

(4) a $4.0 million increase in network services costs from CCUK.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues decreased to 38.4% for the three months ended June 30, 2002 from 42.6% for the three months ended June 30, 2001, because of higher margins attributable to incremental revenues from the CCUSA, CCUK, Crown Atlantic and CCAL operations. Costs of operations for network services and other as a percentage of network services and other revenues increased to 85.6% for the three months ended June 30, 2002 from 70.9% for the three months ended June 30, 2001 because of lower margins from the CCUSA, CCUK and Crown Atlantic operations.

General and administrative expenses for the three months ended June 30, 2002 were $28.7 million, a decrease of $1.7 million from the three months ended June 30, 2001. This decrease was primarily attributable to:

(1) a $1.2 million decrease in expenses related to the CCUSA operations,

(2) a $1.5 million decrease in expenses at Crown Atlantic, and

(3) a $0.2 million decrease in expenses at CCAL, partially offset by

(4) a $1.0 million increase in expenses at CCUK, and

(5) a $0.2 million increase in expenses at our corporate office.

The decreases in general and administrative expenses resulted primarily from lower staffing levels after the restructuring of our business announced in July 2001, partially offset by a charge of approximately $2.6 million for a bad debt provision at CCUK related to the ITV Digital liquidation (see "Item 5. Other Information"). General and administrative expenses as a percentage of revenues decreased to 12.7% for the three months ended June 30, 2002 from 13.3% for the three months ended June 30, 2001 because of lower overhead costs as a percentage of revenues for CCAL, CCUK and Crown Atlantic.

Corporate development expenses for the three months ended June 30, 2002 were $1.7 million, compared to $3.8 million for the three months ended June 30, 2001. This decrease was attributable to a decrease in expenses at our corporate office.

During the three months ended June 30, 2002, we recorded asset write-down charges of $0.6 million for CCUSA and $0.2 million for Crown Atlantic. For the three months ended June 30, 2001, we recorded asset write-down charges of $12.3 million in connection with the July 2001 restructuring. Such non-cash charges related to write-downs of certain inventories, property and equipment, and other assets. See "--Restructuring Charges and Asset Write-Down Charges".

For the three months ended June 30, 2002, we recorded non-cash general and administrative compensation charges of $1.3 million related to the issuance of stock and stock options to certain employees and executives, compared to $1.4 million for the three months ended June 30, 2001.

Depreciation and amortization for the three months ended June 30, 2002 was $76.2 million, an increase of $1.4 million from the three months ended June 30, 2001. This increase was primarily attributable to:

(1) a $10.2 million increase in depreciation related to property and equipment and amortization of other intangible assets from CCUSA,

(2) a $4.7 million increase in depreciation related to property and equipment from CCUK,

(3) a $1.2 million increase in depreciation related to property and equipment from Crown Atlantic, and

(4) a $0.4 million increase in depreciation related to property and equipment from CCAL, partially offset by

(5) a $15.0 million decrease in goodwill amortization resulting from the adoption of a new accounting standard for goodwill and other intangible assets, of which $2.4 million was attributable to CCUSA, $11.8 million was attributable to CCUK and $0.8 million was attributable to Crown Atlantic (see "--Impact of Recently Issued Accounting Standards").

Interest and other income (expense) for the three months ended June 30, 2002 resulted primarily from:

(1) interest income and foreign exchange gains from invested cash balances, partially offset by

(2) charges of approximately $5.0 million for the write-down of investments in unconsolidated affiliates,

(3) our share of losses incurred by unconsolidated affiliates and

(4) costs incurred in connection with unsuccessful network acquisitions.

Interest expense and amortization of deferred financing costs for the three months ended June 30, 2002 was $76.4 million, an increase of $3.2 million, or 4.4%, from the three months ended June 30, 2001. This increase was primarily attributable to interest on indebtedness at CCUSA, CCUK and Crown Atlantic, and interest on the 9 3/8% senior notes.

The provision for income taxes of $0.7 million for the three months ended June 30, 2002 consists primarily of a non-cash deferred tax liability recognized by CCUK. CCUK's deferred tax liability resulted from differences between book and tax basis for its property and equipment.

Minority interests represent the minority partner's 43.1% interest in Crown Atlantic's operations, the minority partner's 17.8% interest in the operations of the GTE joint venture and the minority shareholder's 22.4% interest in the CCAL operations.

Comparison of Six Months Ended June 30, 2002 and 2001

Consolidated revenues for the six months ended June 30, 2002 were $446.1 million, an increase of $3.8 million from the six months ended June 30, 2001. This increase was primarily attributable to:

(1) a $58.4 million, or 21.3%, increase in site rental and broadcast transmission revenues, of which $15.8 million was attributable to CCUK, $6.1 million was attributable to Crown Atlantic, $3.7 million was attributable to CCAL and $32.8 million was attributable to CCUSA,

(2) an $8.9 million increase in network services and other revenues from CCUK, and

(3) a $0.7 million increase in network services and other revenues from CCAL, partially offset by

(4) a $60.1 million decrease in network services and other revenues from CCUSA, and

(5) a $4.1 million decrease in network services and other revenues from Crown Atlantic.

The following is a summary of tenant leasing activity on our tower sites:

	Six Months Ended June 30,	
	2001	2002
New tenants added on existing, newly constructed and acquired tower sites, net:		
CCUSA (includes 130 tenants from acquired tower sites in 2001)	1,989	1,241
Crown Atlantic	377	214
CCUK (includes 459 tenants from acquired tower sites in 2001)	1,782	778
CCAL (includes 1,054 tenants from acquired tower sites in 2001)	1,280	208
	5,428	2,441
Average monthly lease rate per new tenant added on existing tower sites:		
CCUSA and Crown Atlantic	$1,487	$1,478
CCUK	619	1,074
CCAL	622	610

The increases in site rental and broadcast transmission revenues reflect the new tenant additions on our tower sites. The increases or decreases in network services and other revenues reflect fluctuations in demand for antenna installation from our tenants along with fluctuations in third party service work.

Costs of operations for the six months ended June 30, 2002 were $217.6 million, a decrease of $18.7 million from the six months ended June 30, 2001. This decrease was primarily attributable to:

(1) a $34.2 million decrease in network services costs related to CCUSA and

(2) a $2.7 million decrease in network services costs from Crown Atlantic, partially offset by

(3) a $10.7 million increase in site rental and broadcast transmission costs, of which $4.4 million was attributable to CCUK, $1.4 million was attributable to Crown Atlantic, $1.4 million was attributable to CCAL and $3.5 million was attributable to CCUSA,

(4) a $7.1 million increase in network services costs from CCUK, and

(5) a $0.3 million increase in network services costs from CCAL.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues decreased to 38.5% for the six months ended June 30, 2002 from 42.8% for the six months ended June 30, 2001, because of higher margins attributable to incremental revenues from the CCUSA, CCUK, Crown Atlantic and CCAL operations. Costs of operations for network services and other as a percentage of network services and other revenues increased to 78.6% for the six months ended June 30, 2002 from 70.6% for the six months ended June 30, 2001 because of lower margins from the CCUSA operations, partially offset by higher margins from the CCUK and Crown Atlantic operations.

General and administrative expenses for the six months ended June 30, 2002 were $50.5 million, a decrease of $5.8 million from the six months ended June 30, 2001. This decrease was primarily attributable to:

(1) a $4.3 million decrease in expenses related to the CCUSA operations,

(2) a $2.5 million decrease in expenses at Crown Atlantic, and

(3) a $0.4 million decrease in expenses at CCAL, partially offset by

(4) a $1.1 million increase in expenses at CCUK, and

(5) a $0.3 million increase in expenses at our corporate office.

The decreases in general and administrative expenses resulted primarily from lower staffing levels after the restructuring of our business announced in July 2001, partially offset by a charge of approximately $2.6 million for a bad debt provision at CCUK related to the ITV Digital liquidation (see "Item 5. Other Information"). General and administrative expenses as a percentage of revenues decreased to 11.3% for the six months ended June 30, 2002 from 12.7% for the six months ended June 30, 2001 because of lower overhead costs as a percentage of revenues for CCUSA, CCAL, CCUK and Crown Atlantic.

Corporate development expenses for the six months ended June 30, 2002 were $4.0 million, compared to $7.2 million for the six months ended June 30, 2001. This decrease was primarily attributable to a decrease in expenses at our corporate office.

For the six months ended June 30, 2002, we recorded cash charges of $3.7 million in connection with a restructuring of our CCUK business announced in March 2002. Such charges relate to staff redundancies and the disposition of certain service lines. We expect that the total charges reflected in our 2002 results of operations for this CCUK restructuring will be between approximately $7.0 million and $13.0 million. For the six months ended June 30, 2002, we also recorded cash charges of $2.5 million related primarily to additional employee severance payments at our corporate office in connection with the July 2001 restructuring. See "--Restructuring Charges and Asset Write-Down Charges".

During the six months ended June 30, 2002, we abandoned a portion of our construction in process related to certain open projects and recorded related asset write-down charges of $24.3 million for CCUSA and $8.0 million for Crown Atlantic. For the six months ended June 30, 2002, we also recorded asset write-down charges of $0.4 million for CCUK related to certain inventories and property and equipment. See "--Restructuring Charges and Asset Write-Down Charges". For the six months ended June 30, 2001, we recorded asset write-down charges of $12.3 million in connection with the July 2001 restructuring. Such non-cash charges related to write-downs of certain inventories, property and equipment, and other assets.

For the six months ended June 30, 2002, we recorded non-cash general and administrative compensation charges of $2.6 million related to the issuance of stock and stock options to certain employees and executives, compared to $2.8 million for the six months ended June 30, 2001.

Depreciation and amortization for the six months ended June 30, 2002 was $147.9 million, a decrease of $1.0 million from the six months ended June 30, 2001. This decrease was primarily attributable to:

(1) a $30.1 million decrease in goodwill amortization resulting from the adoption of a new accounting standard for goodwill and other intangible assets, of which $4.9 million was attributable to CCUSA, $23.7 million was attributable to CCUK and $1.6 million was attributable to Crown Atlantic (see "--Impact of Recently Issued Accounting Standards"), partially offset by

(2) a $7.8 million increase in depreciation related to property and equipment from CCUK,

(3) a $17.3 million increase in depreciation related to property and equipment and amortization of other intangible assets from CCUSA,

(4) a $1.9 million increase in depreciation related to property and equipment from CCAL, and

(5) a $2.1 million increase in depreciation related to property and equipment from Crown Atlantic.

Interest and other income (expense) for the six months ended June 30, 2002 resulted primarily from:

(1) charges of approximately $12.0 million for the write-down of investments in unconsolidated affiliates,

(2) our share of losses incurred by unconsolidated affiliates and

(3) costs incurred in connection with unsuccessful network acquisitions, partially offset by

(4) interest income and foreign exchange gains from invested cash balances.

Interest expense and amortization of deferred financing costs for the six months ended June 30, 2002 was $152.7 million, an increase of $12.9 million, or 9.2%, from the six months ended June 30, 2001. This increase was primarily attributable to interest on indebtedness at CCUSA, CCUK and Crown Atlantic, and interest on the 9 3/8% senior notes.

The provision for income taxes of $5.3 million for the six months ended June 30, 2002 consists primarily of a non-cash deferred tax liability recognized by CCUK. CCUK's deferred tax liability resulted from differences between book and tax basis for its property and equipment.

Minority interests represent the minority partner's 43.1% interest in Crown Atlantic's operations, the minority partner's 17.8% interest in the operations of the GTE joint venture and the minority shareholder's 22.4% interest in the CCAL operations.

Liquidity and Capital Resources

Our business strategy contemplates substantial capital expenditures, although reduced from previous years' levels, in connection with the selective expansion of our tower portfolios in the markets in which we currently operate. During the remainder of 2002 and continuing into 2003, we expect that the majority of our capital expenditures will occur at CCUK in connection with the development of the sites acquired from British Telecom.

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 and issuances of debt securities. 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 six months ended June 30, 2001 and 2002, our net cash provided by operating activities was $52.9 million and $70.0 million, respectively. For the six months ended June 30, 2001 and 2002, our net cash provided by (used for) financing activities was $1,088.8 million and $(18.4) million, respectively. For the remaining six months of 2002, we expect that our net cash provided by operating activities will be between approximately $90 million and $110 million.

Capital expenditures were $199.3 million for the six months ended June 30, 2002, of which $0.3 million were for CCIC, $73.0 million were for CCUSA, $16.7 million were for Crown Atlantic, $105.1 million were for CCUK and $4.1 million were for CCAL. We anticipate that we will build, through the end of 2002, approximately 230 to 250 towers in the United States at a cost of approximately $88 million and approximately 400 to 430 towers in the United Kingdom at a cost of approximately $87 million. In addition, we were obligated to pay a site access fee to British Telecom in the amount of (Pounds)100.0 million ($152.5 million). In April 2002, we reached agreement with British Telecom to defer until March 2003 payment of (Pounds)50.0 million ($76.2 million) of the (Pounds)100.0 million originally due March 2002; the other (Pounds)50.0 million ($73.4 million) was paid in the second quarter of 2002. We also expect to spend approximately $60 million in the United States for tower improvements, including enhancements to the structural capacity of our domestic towers in order to support the anticipated leasing. For the remaining six months of 2002, we expect that our total capital expenditures will be between approximately $90 million and $110 million. As such, we expect that our capital expenditures for this period will be fully funded by net cash provided by operating activities, as discussed above.

We expect that the execution of our new tower build program will have a material impact on our liquidity. We expect that once integrated, these new towers 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. Our decisions regarding the construction of new towers are discretionary, and depend upon expectations of achieving acceptable rates of return given current market conditions. Such decisions are influenced by the availability of capital and expected returns on alternative investments. We have increased our minimum acceptable level for internal rates of return on new tower builds given current market conditions, and may continue to decrease the number of new towers built in the future.

To fund the execution of our business strategy, including the construction of new towers, we expect to use the net proceeds of our recent offerings and cash provided by operations. We do not currently expect to utilize further borrowings available under our U.S. and U.K. credit facilities in any significant amounts. 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. 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 June 30, 2002, we had consolidated cash and cash equivalents of $701.4 million (including $29.2 million at CCUSA, $111.3 million at CCUK, $47.9 million at Crown Atlantic, $13.9 million at CCAL, $353.6 million in an unrestricted investment subsidiary and $145.5 million at CCIC and a restricted investment subsidiary), consolidated liquid investments (consisting of marketable securities) of $144.0 million, consolidated long-term debt of $3,469.0 million, consolidated redeemable preferred stock of $898.6 million and consolidated stockholders' equity of $2,212.0 million.

In June of 2002, we paid our quarterly dividend on the 81/4% Convertible Preferred Stock by issuing 900,000 shares of our common stock. As allowed by the Deposit Agreement relating to dividend payments on the 81/4% Convertible Preferred Stock, we then repurchased the 900,000 shares of common stock from the dividend paying agent for $4.0 million in cash. We utilized cash from an Unrestricted investment subsidiary to effect the stock repurchase. We may choose to continue such issuances and repurchases of stock in the future in order to avoid further dilution caused by the issuance of common stock as dividends on our preferred stock.

In July of 2002, we repurchased 8.5 million shares of our common stock for $18.3 million in cash. The shares purchased by us represented all of the remaining shares previously owned by affiliates of France Telecom. The purchase was conducted through a privately negotiated transaction. We utilized cash from an Unrestricted investment subsidiary to effect the stock repurchase.

We seek to allocate our available capital among the investment alternatives that provide the greatest returns given current market conditions. As such, we may continue to acquire sites, build new towers and make improvements to existing towers when the expected returns from such expenditures meet our investment criteria. In addition, we may utilize a portion of our available cash balances to repurchase our own stock (either common or preferred) or debt securities from time to time as market prices make such investments attractive.

As of August 1, 2002, Crown Atlantic had unused borrowing availability under its amended credit facility of approximately $45.0 million. As of August 1, 2002, our restricted U.S. and Australian subsidiaries had approximately $435.6 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.

The primary factors that determine our subsidiaries' ability to comply with their debt covenants are (1) their current financial performance (based on earnings before interest, taxes, depreciation and amortization, or "EBITDA"), (2) their levels of indebtedness and (3) their debt service requirements. Since we do not currently expect that our subsidiaries will need to utilize significant additional borrowings under their credit facilities, the primary risk of a debt covenant violation would result from a deterioration of a subsidiary's EBITDA performance. In addition, certain of the credit facilities will require that EBITDA increase in future years as covenant calculations become more restrictive. Should a covenant violation occur in the future as a result of a shortfall in EBITDA performance (or for any other reason), we might be required to make principal payments earlier than currently scheduled and may not have access to additional borrowings under these facilities as long as the covenant violation continues. Any such early principal payments would have to be made from our existing cash balances.

In April 2002, ITV Digital ("ITVD") announced plans to liquidate its assets and returned its digital terrestrial television licenses to the UK Independent Television Commission (see "Item 5. Other Information"). The termination of the ITVD transmission contract is a Termination Event (a defined event of default) under the CCUK credit facility. We have entered into discussions with the banks in order to obtain an amendment to the CCUK credit facility such that the Termination Event would be cured. Based on these preliminary discussions, we do not currently believe that we will be required to prepay the outstanding borrowings under the CCUK credit facility as a result of this event of default. However, there can be no assurance that such an amendment can be obtained. As a result, we have reclassified all the outstanding borrowings under the CCUK credit facility as current liabilities on our consolidated balance sheet as of June 30, 2002. If we are unable to obtain an amendment to the CCUK credit facility as discussed above, the uncured Termination Event would result in an event of default under the trust deed governing the CCUK bonds. As a result, we have also reclassified the principal amount of the CCUK bonds as a current liability on our consolidated balance sheet as of June 30, 2002. None of our other debt instruments, including the public debt securities and the two U.S. bank credit facilities, contain default provisions related to the ITVD transmission contract. Furthermore, none of these other debt instruments contain cross default provisions with either of the CCUK debt instruments. As such, the events of default under the two CCUK debt instruments do not constitute events of default under any of our other debt instruments.

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 91/2% senior notes, our 103/4% 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 111/4% 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 111/4% 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 123/4% 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 ($17.2 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 111/4% 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 joint venture agreements with Bell Atlantic Mobile and GTE (both now part of Verizon Communications) provide that, upon dissolution of either venture, Verizon Communications will receive (1) the shares of our common stock contributed to the venture and (2) a payment equal to a percentage of the fair market value (at the dissolution date) of the venture's other net assets. As of June 30, 2002, such percentages would be approximately 24.1% for the Bell Atlantic Mobile venture and 11.0% for the GTE venture. The 24.1% payment for the Bell Atlantic Mobile venture could be paid either in cash or shares of our common stock, at our election. The 11.0% payment for the GTE venture could only be paid in cash. A dissolution of either venture may be triggered (1) by Verizon Communications at any time following the third anniversary of the formation of the applicable venture and (2) by us at any time following the fourth anniversary of such venture's formation (subject to certain penalties if prior to the seventh anniversary). Our joint venture with Bell Atlantic Mobile was formed on March 31, 1999, and our joint venture with GTE was formed on January 31, 2000.

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. In addition, our ability to refinance any indebtedness in the future would depend in part on our maintaining adequate credit ratings from the commercial rating agencies. Such credit ratings are dependent on all the liquidity and performance factors discussed above, as well as general expectations that the rating agencies have regarding the outlook for our business and our industry. We anticipate that we may need to refinance a substantial 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.

Restructuring Charges and Asset Write-Down Charges

For the six months ended June 30, 2002, we recorded cash charges of $3.7 million in connection with a restructuring of our CCUK business announced in March 2002. Such charges relate to staff redundancies and the disposition of certain service lines. We expect that the total charges reflected in our 2002 results of operations for this CCUK restructuring will be between approximately $7.0 million and $13.0 million. For the six months ended June 30, 2002, we also recorded cash charges of $2.5 million related primarily to additional employee severance payments at our corporate office in connection with the July 2001 restructuring.

During the six months ended June 30, 2002, we abandoned a portion of our construction in process related to certain open projects and recorded related asset write-down charges of $24.3 million for CCUSA and $8.0 million for Crown Atlantic. For the six months ended June 30, 2002, we also recorded asset write-down charges of $0.4 million for CCUK related to certain inventories and property and equipment. For the six months ended June 30, 2001, we recorded asset write-down charges of $12.3 million in connection with the July 2001 restructuring. Such non-cash charges related to write-downs of certain inventories ($3.8 million), property and equipment ($5.2 million), and other assets ($3.3 million) that were deemed to have no value as a result of the restructuring.

Reporting Requirements Under the Indentures Governing the Company's Debt Securities (the "Indentures") and the Certificate of Designations Governing the Company's 123/4% 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:

	June 30, 2002			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 188,590	$ 512,785	$ --	$ 701,375
Other current assets	287,642	135,703	--	423,345
Property and equipment, net	3,334,405	1,592,169	--	4,926,574
Investments	56,500	--	--	56,500
Investments in Unrestricted Subsidiaries	2,117,542	--	(2,117,542)	--
Goodwill	164,023	876,260	--	1,040,283
Other assets, net	124,611	27,347	--	151,958
	$6,273,313	$3,144,264	$(2,117,542)	$7,300,035
Current liabilities	$ 212,082	$ 524,571	$ --	$ 736,653
Long-term debt, less current maturities	2,817,257	300,000	--	3,117,257
Other liabilities	38,063	126,895	--	164,958
Minority interests	95,255	75,256	--	170,511
Redeemable preferred stock	898,630	--	--	898,630
Stockholders' equity	2,212,026	2,117,542	(2,117,542)	2,212,026
	$6,273,313	$3,144,264	$(2,117,542)	$7,300,035

	Three Months Ended June 30, 2002			Six Months Ended June 30, 2002		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$124,572	$100,959	$225,531	$ 246,820	$199,328	$ 446,148
Costs of operations (exclusive of depreciation and amortization)	60,027	51,766	111,793	116,594	100,990	217,584
General and administrative	21,304	7,428	28,732	39,588	10,932	50,520
Corporate development	1,733	--	1,733	3,972	--	3,972
Restructuring charges	96	4	100	2,222	3,730	5,952
Asset write-down charges	597	168	765	24,318	8,388	32,706
Non-cash general and administrative compensation charges	872	454	1,326	1,744	896	2,640
Depreciation and amortization	50,840	25,332	76,172	98,624	49,263	147,887
Operating income (loss)	(10,897)	15,807	4,910	(40,242)	25,129	(15,113)
Interest and other income (expense)	(6,883)	10,723	3,840	(7,482)	5,232	(2,250)
Interest expense and amortization of deferred financing costs	(65,231)	(11,157)	(76,388)	(129,348)	(23,359)	(152,707)
Provision for income taxes	(102)	(582)	(684)	(190)	(5,153)	(5,343)
Minority interests	1,032	(1,308)	(276)	2,555	867	3,422
Net loss	$(82,081)	$ 13,483	$(68,598)	$(174,707)	$ 2,716	$(171,991)

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 111/4% Discount Notes, the 91/2% Senior Notes, the 103/4% Senior Notes and the 9 3/8% Senior Notes (the "1999, 2000 and 2001 Securities"):

	1997 and 1998 Securities	1999, 2000 and 2001 Securities
	(In thousands of dollars)	
Tower Cash Flow, for the three months ended June 30, 2002	$ 50,753	$ 50,753
Consolidated Cash Flow, for the twelve months ended June 30, 2002	$ 174,585	$ 182,737
Less: Tower Cash Flow, for the twelve months ended June 30, 2002	(185,198)	(185,198)
Plus: four times Tower Cash Flow, for the three months ended June 30, 2002	203,012	203,012
Adjusted Consolidated Cash Flow, for the twelve months ended June 30, 2002	$ 192,399	$ 200,551

Impact of Recently Issued Accounting Standards

In July 2001, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"), and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142"). SFAS 141 prohibits the use of the pooling-of-interests method of accounting for business combinations, and requires that the purchase method be used for all business combinations after June 30, 2001. SFAS 141 also changes the manner in which acquired intangible assets are identified and recognized apart from goodwill. Further, SFAS 141 requires additional disclosures regarding the reasons for business combinations, the allocation of the purchase price to recognized assets and liabilities and the recognition of goodwill and other intangible assets. We have used the purchase method of accounting since our inception, so the adoption of SFAS 141 will not change our method of accounting for business combinations. We have adopted the other recognition and disclosure requirements of SFAS 141 as of July 1, 2001 for any future business combinations. The transition provisions of SFAS 141 require that the carrying amounts for goodwill and other intangible assets acquired in prior purchase method business combinations be reviewed and reclassified in accordance with the new recognition rules; such reclassifications are to be made in conjunction with the adoption of SFAS 142. The application of these transition provisions of SFAS 141 as of January 1, 2002 resulted in a reclassification of other intangible assets with finite useful lives (the value of site rental contracts from the acquisition of Crown Communication) to deferred financing costs and other assets on our consolidated balance sheet. The gross carrying amount, accumulated amortization and net book value of such reclassified intangible assets were approximately $26.0 million, $11.5 million and $14.5 million at January 1, 2002, respectively, and $26.0 million, $12.2 million and $13.8 million at June 30, 2002, respectively. The net book value of these intangible assets will be amortized using a revised life of 10 years, resulting in amortization expense of approximately $1.5 million for each of the years ending December 31, 2002 through 2006. We have no other intangible assets from prior business combinations.

SFAS 142 changes the accounting and disclosure requirements for acquired goodwill and other intangible assets. The most significant provision of SFAS 142 is that goodwill and other intangible assets with indefinite useful lives will no longer be amortized, but rather will be tested for impairment on an annual basis. This annual impairment test will involve (1) a step to identify potential impairment at a reporting unit level based on fair values, and (2) a step to measure the amount of the impairment, if any. Intangible assets with finite useful lives will continue to be amortized over such lives, and tested for impairment in accordance with our existing policies. SFAS 142 requires disclosures about goodwill and other intangible assets in the periods subsequent to their acquisition, including (1) changes in the carrying amount of goodwill, in total and by operating segment, (2) the carrying amounts of intangible assets subject to amortization and those which are not subject to amortization,

(3) information about impairment losses recognized, and (4) the estimated amount of intangible asset amortization expense for the next five years. The provisions of SFAS 142 are effective for fiscal years beginning after December 15, 2001. In addition, the nonamortization provisions of SFAS 142 were to be immediately applied for goodwill and other intangible assets acquired in business combinations subsequent to June 30, 2001. We have adopted the requirements of SFAS 142 as of January 1, 2002. SFAS 142 requires that transitional impairment tests be performed at its adoption, and provides that resulting impairment losses for goodwill and other intangible assets with indefinite useful lives be reported as the effect of a change in accounting principle. We have completed our transitional impairment tests and have determined that no impairment losses for goodwill and other intangible assets will be recorded as a result of the adoption of SFAS 142. We expect that our depreciation and amortization expense will decrease by approximately $60.6 million per year as a result of the adoption of SFAS 142. If amortization of goodwill had not been recorded, and if amortization of other intangible assets had been recorded using the revised life, our net loss and loss per share for the three and six months ended June 30, 2001 would have been $69.4 million ($0.42 per share) and $122.1 million ($0.76 per share), respectively.

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. A fluctuation in market interest rates of one percentage point in 2002 would impact our interest expense by approximately $10.2 million. As of June 30, 2002, we have approximately $1,165.4 million of floating rate indebtedness, of which approximately $150.0 million has been effectively converted to fixed rate indebtedness through the use of interest rate swap agreements.

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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of the stockholders of the Company was held on May 29, 2002, at which meeting the stockholders voted to elect Dale N. Hatfield, Lee W. Hogan and Robert F. McKenzie as Class I Directors and ratified the appointment of KPMG LLP as independent public accountants for 2002. The voting results for each proposal submitted to a vote is listed below.

Election of Class I Directors

Dale N. Hatfield--184,499,212 votes for and 1,225,890 votes withheld.

Lee W. Hogan--185,127,206 votes for and 597,896 votes withheld.

Robert F. McKenzie--183,159,452 votes for and 2,565,650 votes withheld.

Ratification of Appointment of KPMG LLP as Independent Auditors for 2002

184,090,930 votes for, 1,598,600 votes against and 35,572 votes abstaining.

The holders of the Company's 8 1/4% Convertible Preferred Stock were entitled to vote on an as converted basis on each of the proposals with the common stock, voting as a single class, and such votes are included in the voting results of the common stock set forth for each of the proposals above.

ITEM 5. OTHER INFORMATION

From 1999 to March 2002, pursuant to a digital transmission contract with an original term of twelve years, CCUK was responsible for the transmission of the ITV Digital ("ITVD") signal through the CCUK-owned digital terrestrial television ("DTT") network to approximately 1.2 million subscribers in the U.K. In April 2002, after a U.K. court approved an application by ITVD to be placed into administration (similar to a Chapter 11 bankruptcy proceeding in the United States) and unsuccessful efforts by the administrator to sell the ITVD business as a going concern, ITVD announced plans to liquidate its assets and returned its DTT licenses to the UK Independent Television Commission ("ITC"). CCUK had gross revenues of approximately $27.6 million annually under the ITVD transmission contract. ITVD represented approximately 12% of the 2001 gross revenues of CCUK and approximately 3% of the 2001 consolidated gross revenues of the Company.

Following the return of the licenses by ITVD, the ITC announced a process for reawarding the three digital multiplex licenses which ITVD previously held. In June 2002, CCUK and the BBC submitted linked applications for these licenses. On July 4, 2002, the ITC conditionally awarded the license for one multiplex to the BBC and the license for two multiplexes to CCUK. No license fees were paid to the UK government with respect to the award of the multiplex licenses other than an approximately $38,000 application fee per multiplex.

CCUK has entered into a preliminary agreement with the BBC to provide a transmission and distribution service for the multiplex awarded to the BBC. CCUK has also entered into a preliminary agreement with BSkyB to provide a transmission, distribution and multiplexing service in relation to 75% of the available capacity of one of the multiplexes awarded to CCUK. CCUK expects to enter into additional agreements to provide transmission, distribution and multiplexing services to channel providers for the other multiplex capacity awarded to CCUK. Starting in the first quarter of 2003, CCUK expects to generate annual revenues from the BBC, BSkyB and other broadcasters of between approximately $26 million and $30 million from the provision of transmission, distribution and multiplexing services related to the new multiplex licenses.

CCUK has already invested, as a result of its previous contract with ITVD, substantially all of the capital required to provide the services described above. CCUK expects to invest approximately an additional $3 million to increase the power of the transmission network at a number of sites. CCUK is already incurring, again by virtue of its previous contract with ITVD, substantially all of the operating costs required to provide these services (including payments to British Telecom for distribution circuits and payments to NTL for site rental). In total, CCUK is incurring annual operating expenses of between approximately $20 million and $23 million from the provision of transmission, distribution and multiplexing services to the BBC, BSkyB and other broadcasters related to the new multiplex licenses.

The termination of the ITVD transmission contract is a Termination Event (a defined event of default) under the CCUK credit facility. We have entered into discussions with the banks in order to obtain an amendment to the CCUK credit facility such that the Termination Event would be cured. Based on these preliminary discussions, we do not currently believe that we will be required to prepay the outstanding borrowings under the CCUK credit facility as a result of this event of default. However, there can be no assurance that such an amendment can be obtained. As a result, we have reclassified all the outstanding borrowings under the CCUK credit facility as current liabilities on our consolidated balance sheet as of June 30, 2002. If we are unable to obtain an amendment to the CCUK credit facility as discussed above, the uncured Termination Event would result in an event of default under the trust deed governing the CCUK bonds. As a result, we have also reclassified the principal amount of the CCUK bonds as a current liability on our consolidated balance sheet as of June 30, 2002. None of our other debt instruments, including the public debt securities and the two U.S. bank credit facilities, contain default provisions related to the ITVD transmission contract. Furthermore, none of these other debt instruments contain cross default provisions with either of the CCUK debt instruments. As such, the events of default under the two CCUK debt instruments do not constitute events of default under any of our other debt instruments.

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 May 1, 2002 with the SEC on May 3, 2002 furnishing under Item 9 further details and a press release dated May 1, 2002 regarding the potential impact on its U.K. subsidiary, Crown Castle UK Limited, of liquidation plans of ITVdigital.

The Registrant filed a Current Report on Form 8-K dated May 9, 2002 with the SEC on May 15, 2002 furnishing under Item 9 revised guidance through 2004 as disclosed in a press release dated May 9, 2002 setting forth the Registrant's financial results for the first quarter 2002.

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: August 13, 2002 By: /s/ W. BENJAMIN MORELAND

W. Benjamin Moreland
Senior Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 13, 2002 By: /s/ WESLEY D. CUNNINGHAM

Wesley D. Cunningham
Senior Vice President, Chief Accounting Officer
and Corporate Controller
(Principal Accounting Officer)

Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Crown Castle International Corp., a Delaware Corporation (the "Company"), for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

1) the Report complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of June 30, 2002 (the last date of the period covered by the Report).

/s/ JOHN P. KELLY

John P. Kelly
President and Chief Executive Officer
August 13, 2002

/s/ W. BENJAMIN MORELAND

W. Benjamin Moreland
Senior Vice President, Chief Financial
Officer and Treasurer
August 13, 2002

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 JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
Net loss	$ (84,733)	$ (68,598)	$(152,788)	$(171,991)
Dividends on preferred stock	(20,265)	(20,861)	(39,770)	(40,966)
Net loss applicable to common stock for basic and diluted computations	$(104,998)	$ (89,459)	$(192,558)	$(212,957)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	214,059	220,897	212,627	220,159
Loss per common share - basic and diluted	$ (0.49)	$ (0.41)	$ (0.91)	$ (0.97)

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)

	SIX MONTHS ENDED JUNE 30,	
	2001	2002
Computation of Earnings:		
Income (loss) before income taxes and minority interests	$(153,591)	$(170,070)
Add:		
Fixed charges (as computed below)	155,180	168,725
	$ 1,589	$ (1,345)
Computation of Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends:		
Interest expense	$ 94,952	$ 103,510
Amortization of deferred financing costs and discounts on long-term debt	44,878	49,197
Interest component of operating lease expense	15,350	16,018
Fixed charges	155,180	168,725
Preferred stock dividends	39,770	40,966
Combined fixed charges and preferred stock dividends	$ 194,950	$ 209,691
Ratio of Earnings to Fixed Charges	--	--
Deficiency of Earnings to Cover Fixed Charges	$ 153,591	$ 170,070
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	--	--
Deficiency of Earnings to Cover Combined Fixed Charges and Preferred Stock Dividends	$ 193,361	$ 211,036