



# The Foundation for a Wireless World

Third Quarter 2016

Earnings Conference Call

October 21, 2016

The Foundation for a Wireless World.

# Cautionary Information

---

This presentation contains forward-looking statements and information that are based on management's current expectations. Such statements include our Outlook and plans, projections, and estimates regarding (1) potential benefits, returns and shareholder value which may be derived from our business, assets, investments, dividends and acquisitions, including on a long-term basis, (2) our strategy, strategic position and strength of our business, (3) carrier network investments and upgrades, and the benefits which may be derived therefrom, (4) demand for wireless connectivity and the benefits which may be derived therefrom, (5) our dividends, including our dividend plans and the amount and growth of our dividends, (6) leasing activity, (7) our investments, including in towers and small cells, and the potential growth, returns and benefits therefrom, (8) demand for our wireless infrastructure and services, (9) our growth and long-term prospects, (10) tenant non-renewals, including the impact and timing thereof, (11) capital expenditures, including sustaining capital expenditures, (12) straight-line adjustments, (13) expenses, (14) site rental revenues, (15) site rental cost of operations, (16) site rental gross margin and network services gross margin, (17) net income (loss), (18) Adjusted EBITDA, (19) interest expense and amortization of deferred financing costs, (20) FFO, (21) AFFO, (22) Organic Contribution to Site Rental Revenues and Organic Contribution to Site Rental Revenue growth, (23) our common shares outstanding, including on a diluted basis, and the conversion of our Preferred Stock, and (24) the utility of certain financial measures, including non-GAAP financial measures. As used herein, the term "including", and any variation thereof, means "including, without limitation."

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

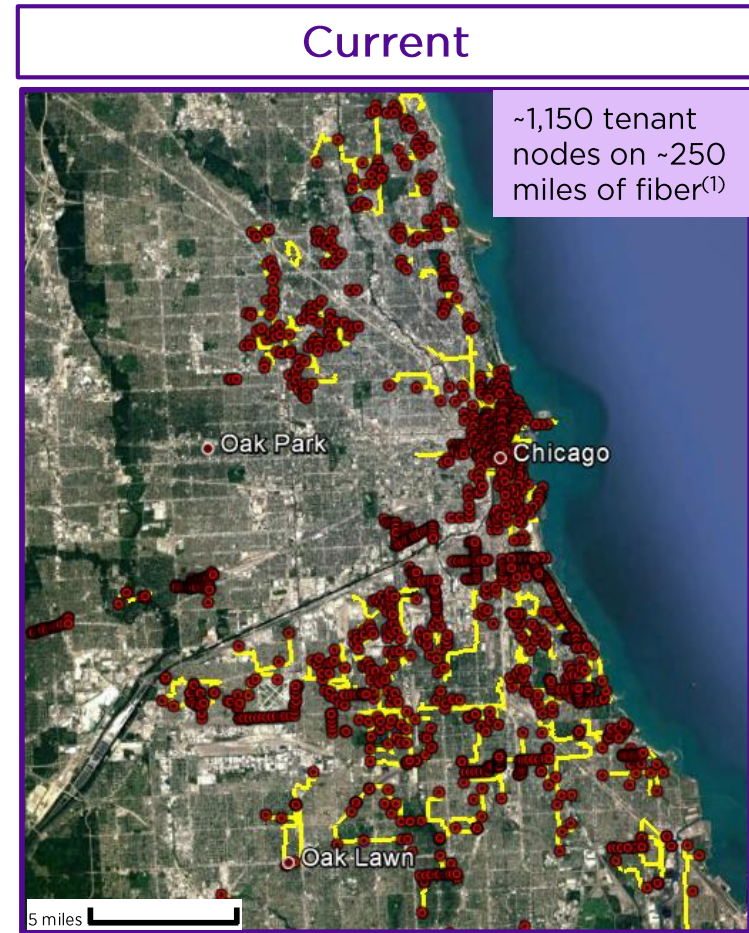
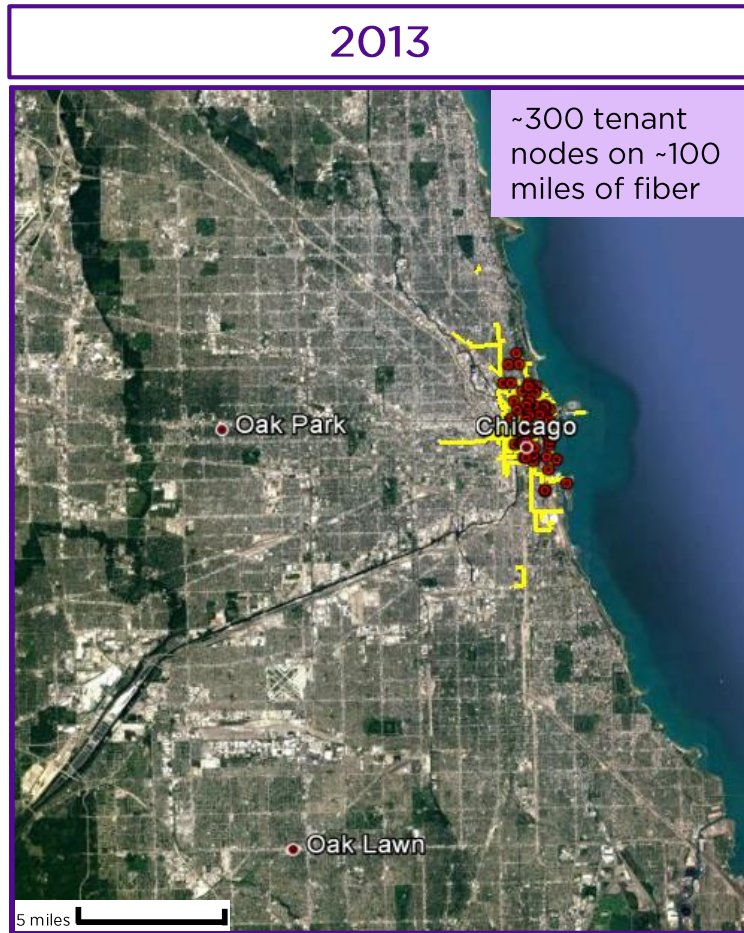
This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, AFFO, Organic Site Rental Revenue, and Site Rental Revenue, as Adjusted. Tables reconciling such non-GAAP financial measures are set forth in the Supplemental Information Package posted in the Investors section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

# Executive Summary

---

- Exceeded high end of previously provided third quarter 2016 Outlook for site rental revenues, site rental gross margin, Adjusted EBITDA and AFFO
- Increased midpoint of full year 2016 Outlook for site rental revenues, site rental gross margin, Adjusted EBITDA and AFFO by \$7 million, \$6 million, \$7 million and \$4 million, respectively, reflecting strong third quarter 2016 results
- Increased quarterly dividend by 7% from \$3.54 to \$3.80 per share on an annualized basis
- Introduced 2017 Outlook with AFFO per share of \$5.01 at the midpoint, representing year-over-year growth of 6%

# Chicago Small Cell Case Study



- Initial build-out of approximately 300 tenant nodes on approximately 100 miles of fiber focused on downtown
- Since 2013, further densification with substantial expansion into the greater metro and suburban core
- Increasing density from ~3 tenant nodes per mile to ~5 tenant nodes per mile, driving higher returns

1. Includes tenant nodes and fiber miles under construction

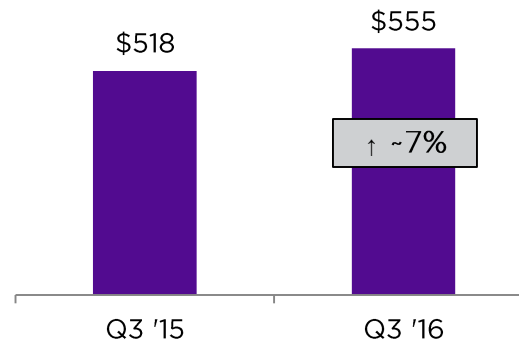
# Q3 2016 Highlights

(\$ in millions)

### Site Rental Revenues



### Site Rental Gross Margin



### Adjusted EBITDA



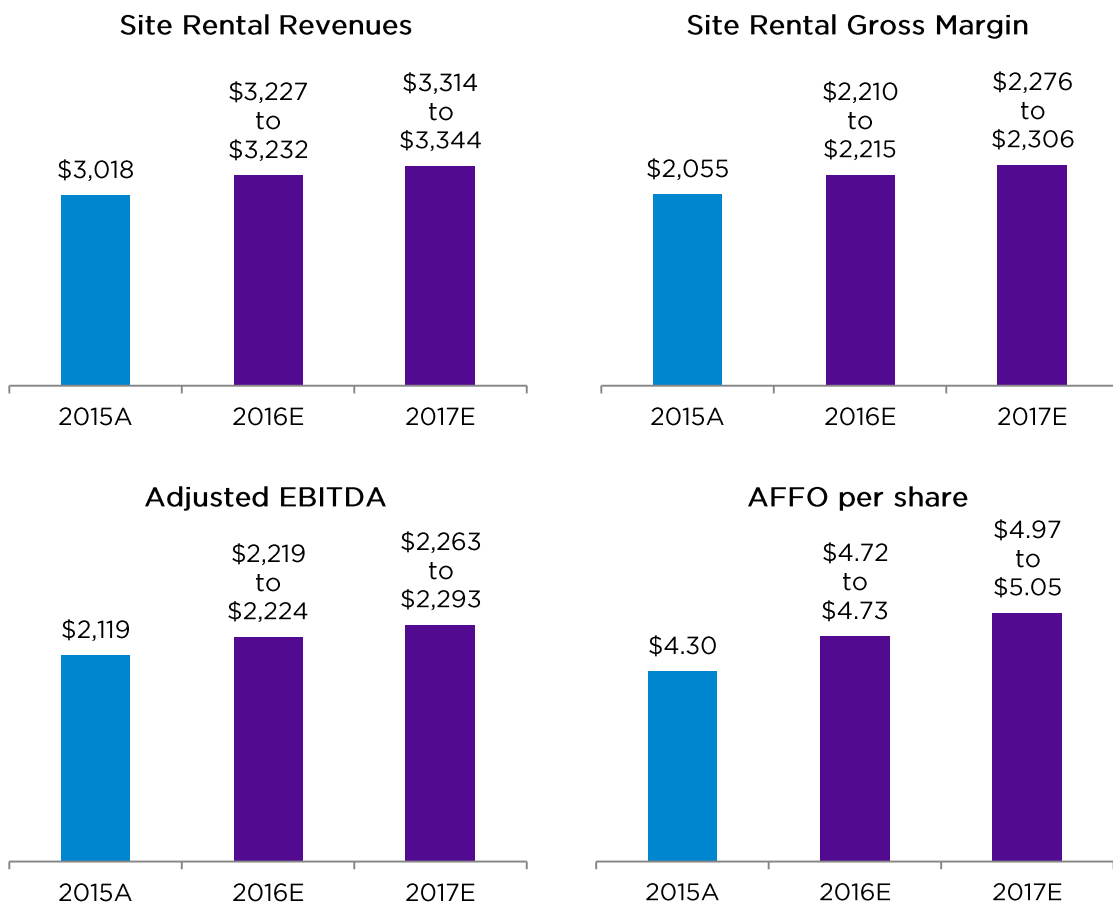
### AFFO



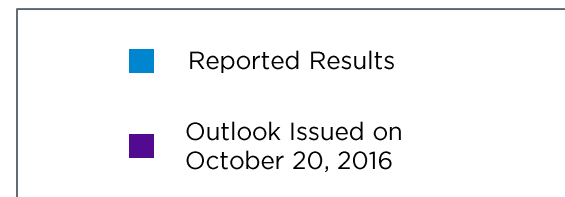
- Exceeded the high end of previously provided Q3 2016 Outlook for site rental revenues, site rental gross margin, Adjusted EBITDA and AFFO
- AFFO benefited from \$7 million in lower than expected sustaining capex due to timing, as the capital is expected to be spent during the fourth quarter

# Full Year 2016 and 2017 Outlook

(\$ in millions, except per share amounts)

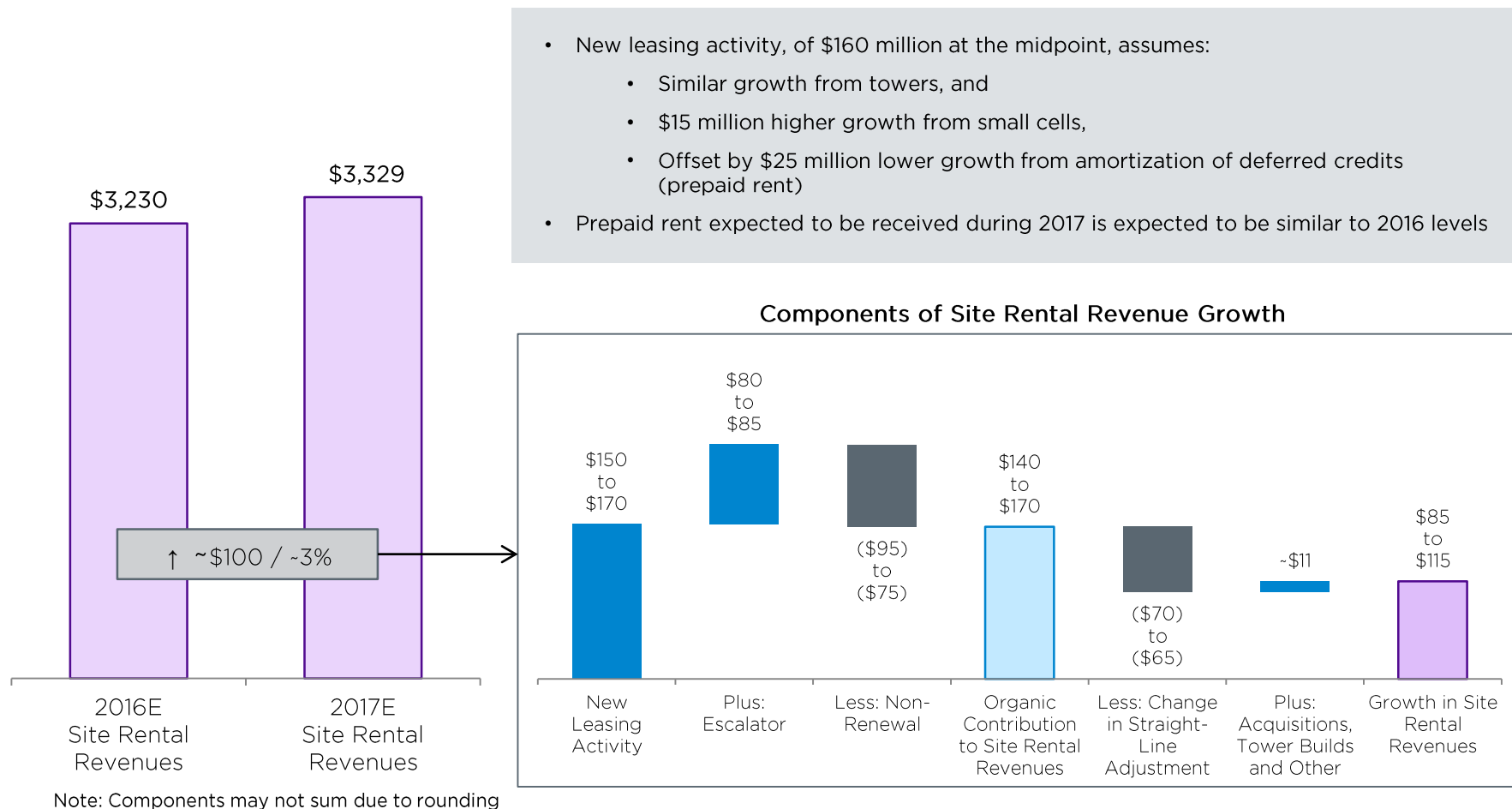


- Increased 2016 Outlook for site rental revenues, site rental gross margin, Adjusted EBITDA and AFFO, reflecting:
  - Higher than expected results from the third quarter,
  - Timing benefit from tenant non-renewals occurring later than previously expected,
  - Offset by expected increase in sustaining capital
- 2017 Outlook reflects expected continued strength in leasing activity



# Full Year 2017 Outlook

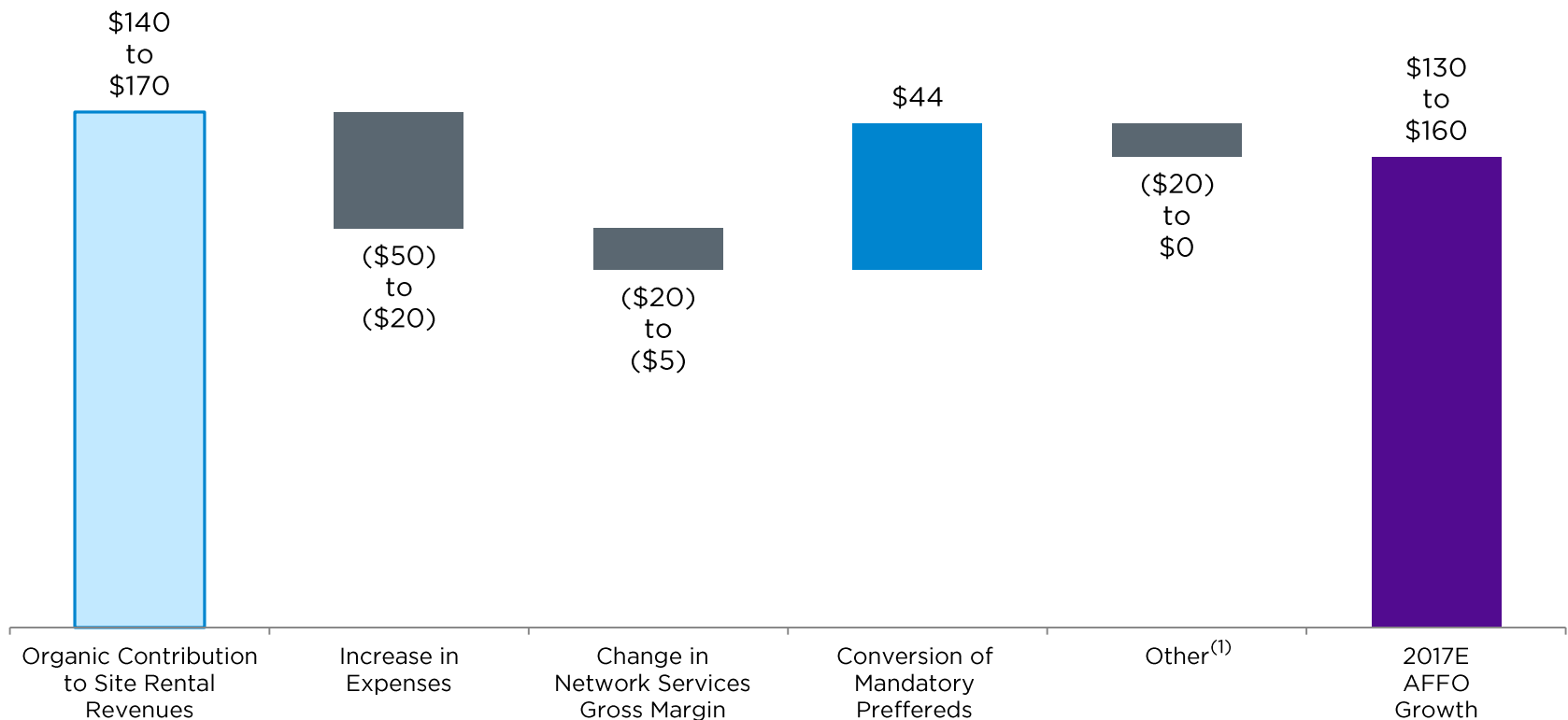
## Midpoint of 2017 Outlook for Site Rental Revenue Growth (\$ in millions)



- New leasing activity, of \$160 million at the midpoint, assumes:
  - Similar growth from towers, and
  - \$15 million higher growth from small cells,
  - Offset by \$25 million lower growth from amortization of deferred credits (prepaid rent)
- Prepaid rent expected to be received during 2017 is expected to be similar to 2016 levels

# Full Year 2017 Outlook (continued)

## Midpoint of 2017 Outlook for AFFO Growth (\$ in millions)



Note: Components may not sum due to rounding

1. Includes changes in cash interest expense, changes in sustaining capital expenditures, incremental contribution from acquisitions and other adjustments