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 September 30, 1998

Commission File Number 333-43873

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 November 1, 1998:
Common Stock - 82,907,223
Class A Common Stock - 11,340,000

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, 1997	September 30, 1998 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 55,078	$ 201,349
Receivables:		
Trade, net of allowance for doubtful accounts of $177 and $232 at December 31, 1997 and September 30, 1998, respectively	9,264	33,834
Other	811	665
Inventories	1,322	5,209
Prepaid expenses and other current assets	681	2,883
Total current assets	67,156	243,940
Property and equipment, net of accumulated depreciation of $4,852 and $13,180 at December 31, 1997 and September 30, 1998, respectively	81,968	544,486
Investments in affiliates	59,082	2,221
Goodwill and other intangible assets, net of accumulated amortization of $3,997 and $12,633 at December 31, 1997 and September 30, 1998, respectively	152,541	563,706
Deferred financing costs and other assets, net of accumulated amortization of $743 and $1,441 at December 31, 1997 and September 30, 1998, respectively	10,644	15,586
	$371,391	$1,369,939
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,760	$ 30,271
Accrued compensation and related benefits	1,792	2,122
Accrued interest	-	9,998
Deferred rental revenues and other accrued liabilities	2,398	34,958
Total current liabilities	11,950	77,349
Long-term debt	156,293	494,324
Other liabilities	607	4,620
Total liabilities	168,850	576,293
Commitments and contingencies		
Minority interests	-	38,529
Redeemable preferred stock, $.01 par value; 10,000,000 shares authorized (none issued at September 30, 1998):		
Senior Convertible Preferred Stock; 657,495 shares issued at December 31, 1997 (stated at redemption value; aggregate liquidation value of $68,916)	67,948	-
Series A Convertible Preferred Stock; 1,383,333 shares issued at December 31, 1997 (stated at redemption and aggregate liquidation value)	8,300	-
Series B Convertible Preferred Stock; 864,568 shares issued at December 31, 1997 (stated at redemption and aggregate liquidation value)	10,375	-
Series C Convertible Preferred Stock; 3,529,832 shares issued at December 31, 1997 (stated at redemption and aggregate liquidation value)	74,126	-
Total redeemable preferred stock	160,749	-
Stockholders' equity:		
Common stock, $.01 par value; 690,000,000 shares authorized:		
Class A Common Stock; shares issued: December 31, 1997 - 1,041,565 and September 30, 1998 - none	2	-
Class B Common Stock; shares issued: December 31, 1997 - 9,367,165 and September 30, 1998 - none	19	-
Common Stock; shares issued: December 31, 1997 - none and September 30, 1998 - 82,548,545	-	825
Class A Common Stock; shares issued: December 31, 1997 - none and September 30, 1998 - 11,340,000	-	113
Additional paid-in capital	58,248	800,973
Cumulative foreign currency translation adjustment	562	5,069
Accumulated deficit	(17,039)	(51,863)
Total stockholders' equity	41,792	755,117
	$371,391	$1,369,939

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 September 30,		Nine Months Ended September 30,	
	1997	1998	1997	1998
Net revenues:				
Site rental and broadcast transmission	$ 3,402	$ 18,008	$ 6,743	$ 28,456
Network services and other	8,079	10,886	11,503	23,805
	11,481	28,894	18,246	52,261
Operating expenses:				
Costs of operations (exclusive of depreciation and amortization):				
Site rental and broadcast transmission	817	5,980	1,422	8,398
Network services and other	5,016	7,079	7,187	14,234
General and administrative	2,350	6,254	3,841	15,022
Corporate development	872	816	4,654	2,838
Non-cash compensation charges	-	11,361	-	11,361
Depreciation and amortization	2,365	9,410	3,295	17,105
	11,420	40,900	20,399	68,958
Operating income (loss)	61	(12,006)	(2,153)	(16,697)
Other income (expense):				
Equity in earnings (losses) of unconsolidated affiliate	(968)	1,530	(1,189)	2,055
Interest and other income (expense)	98	923	1,606	2,293
Interest expense and amortization of deferred financing costs	(3,172)	(7,554)	(4,368)	(17,581)
Loss before income taxes and minority interests	(3,981)	(17,107)	(6,104)	(29,930)
Provision for income taxes	(20)	(9)	(46)	(218)
Minority interests	-	(328)	-	(328)
Net loss	(4,001)	(17,444)	(6,150)	(30,476)
Dividends on Senior Convertible Preferred Stock	(461)	(216)	(461)	(4,348)
Net loss after deduction of dividends on Senior Convertible Preferred Stock	$(4,462)	$(17,660)	$(6,611)	$(34,824)
Net loss	$(4,001)	$(17,444)	$(6,150)	$(30,476)
Other comprehensive income:				
Foreign currency translation adjustments	(1,624)	2,750	(546)	4,507
Comprehensive loss	$(5,625)	$(14,694)	$(6,696)	$(25,969)
Loss per common share - basic and diluted	$(0.62)	$(0.33)	$(1.42)	$(1.38)
Common shares outstanding - basic and diluted (in thousands)	7,254	53,879	4,672	25,262

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

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

	Nine Months Ended September 30,	
	1997	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (6,150)	$(30,476)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Depreciation and amortization	3,295	17,105
Amortization of deferred financing costs and discount on long-term debt	112	13,069
Non-cash compensation charges	-	11,361
Minority interests	-	328
Equity in losses (earnings) of unconsolidated affiliate	1,189	(2,055)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in deferred rental revenues and other liabilities	(191)	3,550
Decrease (increase) in receivables	2,709	(5,464)
Increase in inventories, prepaid expenses and other assets	(670)	(3,311)
Decrease in accounts payable	(3,129)	(644)
Increase (decrease) in accrued interest	774	(111)
Net cash provided by (used for) operating activities	(2,061)	3,352
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(5,295)	(77,728)
Acquisitions of businesses, net of cash acquired	(32,460)	997
Investments in affiliates	(59,487)	-
Net cash used for investing activities	(97,242)	(76,731)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of capital stock	103,236	149,097
Net borrowings under revolving credit agreements	7,471	72,712
Incurrence of financing costs	(732)	(1,699)
Purchase of capital stock	(2,132)	(884)
Principal payments on long-term debt	(2,788)	-
Net cash provided by financing activities	105,055	219,226
EFFECT OF EXCHANGE RATE CHANGES ON CASH	-	424
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,752	146,271
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,343	55,078
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 13,095	$201,349
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of stockholder's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock	$ 3,657	$ -
Amounts recorded in connection with acquisitions:		
Fair value of net assets acquired, including goodwill and other intangible assets	195,733	417,703
Issuance of long-term debt	78,102	-
Assumption of long-term debt	27,982	-
Issuance of common stock	56,777	418,700
Amounts due to seller	412	-
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 3,309	$ 4,984
Income taxes paid	23	286

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, 1997, and related notes thereto, included in the Registration Statement on Form S-1, as amended (Reg. No. 333-57283), 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 September 30, 1998, the consolidated results of operations for the three and nine months ended September 30, 1997 and 1998 and consolidated cash flows for the nine months ended September 30, 1997 and 1998. 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.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). SFAS 128 establishes new standards for computing and presenting earnings per share ("EPS") amounts for companies with publicly held common stock or potential common stock. The new standards require the presentation of both basic and diluted EPS amounts for companies with complex capital structures. Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period, and excludes the effect of potentially dilutive securities (such as options, warrants and convertible securities) which are convertible into common stock. Dilutive EPS reflects the potential dilution from such convertible securities. SFAS 128 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 128 in its financial statements for the year ended December 31, 1997.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income ("SFAS 130"). SFAS 130 establishes standards for the reporting and display of comprehensive income in a company's financial statements. Comprehensive income includes all changes in a company's equity accounts (including net income or loss) except investments by, or distributions to, the company's owners. Items which are components of comprehensive income (other than net income or loss) include foreign currency translation adjustments, minimum pension liability adjustments and unrealized gains and losses on certain investments in debt and equity securities. The components of comprehensive income must be reported in a financial statement that is displayed with the same prominence as other financial statements. SFAS 130 is effective for fiscal years beginning after December 15, 1997. The Company has adopted the requirements of SFAS 130 in its financial statements for the three months ended March 31, 1998.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information ("SFAS 131"). SFAS 131 establishes standards for the way that public companies report, in their annual financial statements, certain information about their operating segments, their products and services, the geographic areas in which they operate and their major customers. SFAS 131 also requires that certain information about operating segments be reported in interim financial statements. SFAS 131 is effective for periods beginning after December 15, 1997. The Company will adopt the requirements of SFAS 131 in its financial statements for the year ending December 31, 1998.

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, Reporting on the Costs of Start-Up Activities ("SOP 98-5"). SOP 98-5 requires that costs of start-up activities be charged to expense as incurred and broadly defines such costs. The Company has deferred certain costs incurred in connection with potential business initiatives and new geographic markets, and SOP 98-5 will require that such deferred costs be charged to results of operations upon its adoption. SOP 98-5 is effective for fiscal years beginning after December 15, 1998. The Company will adopt the requirements of SOP 98-5 as of January 1, 1999. The cumulative effect of the change in accounting principle for the adoption of SOP 98-5 will result in a charge to results of operations in the Company's financial statements for the three months ended March 31, 1999; it is currently estimated that such charge will amount to approximately $2,300,000.

2. ACQUISITIONS

On May 12, 1997, the Company acquired all of the common stock of TEA Group Incorporated and TeleStructures, Inc. (collectively, "TEA"). On August 15, 1997, the Company acquired (i) substantially all of the assets, net of outstanding liabilities, of Crown Communications ("CCM") and (ii) all of the outstanding common stock of Crown Network Systems, Inc. ("CNS") and Crown Mobile Systems, Inc. ("CMS") (collectively, "Crown"). These business acquisitions were accounted for using the purchase method. Results of operations and cash flows of the acquired businesses are included in the consolidated financial statements for the periods subsequent to the respective dates of acquisition.

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of Castle Transmission Services (Holdings) Ltd ("CTI") pursuant to which certain of CTI's shareholders agreed to exchange their shares of CTI for shares of the Company. On August 18, 1998, the exchange was consummated and the Company's ownership of CTI increased from approximately 34.3% to 80%. The Company issued 20,867,700 shares of its Common Stock and 11,340,000 shares of its Class A Common Stock, with such shares valued at an aggregate of $418,700,000 (based on the price per share to the public in the Company's initial public offering as discussed in Note 4). The Company recognized goodwill of $343,898,000 in connection with this transaction, which was accounted for as an acquisition using the purchase method. CTI's results of operations and cash flows are included in the consolidated financial statements for the period subsequent to the date the exchange was consummated.

The following unaudited pro forma summary presents consolidated results of operations for the Company as if (i) the TEA and Crown acquisitions had been consummated as of January 1, 1997 and (ii) the share exchange with CTI's shareholders had been consummated as of January 1 for both 1997 and 1998. Appropriate adjustments have been reflected for depreciation and amortization, interest expense, amortization of deferred financing costs, income taxes and certain nonrecurring income and expenses recorded by the Company in connection with the investment in CTI in 1997. The pro forma information does not necessarily reflect the actual results that would have been achieved, not is it necessarily indicative of future consolidated results for the Company.

	Nine Months Ended September 30,	
	1997	1998
	(In thousands of dollars, except per share amounts)	
Net revenues	$135,745	$149,224
Net loss	(24,641)	(39,218)
Loss per common share - basic and diluted	(0.43)	(0.60)

3. LONG-TERM DEBT

Long-term debt consists of the following:

	December 31, 1997	September 30, 1998
	(In thousands of dollars)	
Senior Credit Facility	$ 4,700	$ 69,000
10 5/8% Senior Discount Notes due 2007, net of discount	151,593	163,803
CTI Credit Facility	-	56,294
9% Guaranteed Bonds due 2007	-	205,227
	$156,293	$494,324

Reporting Requirements Under the Indenture Governing the 10 5/8% Senior Discount Notes due 2007 (the "Indenture")

The following information (as such capitalized terms are defined in the Indenture) is presented solely as a requirement of the Indenture; 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.

Upon consummation of the share exchange with CTI's shareholders (see Note 2), which increased the Company's ownership interest in CTI to 80%, the Company designated CTI as an Unrestricted Subsidiary. In addition, the net proceeds from the Company's initial public offering of common stock (see Note 4) were placed into a newly formed subsidiary that was also designated as an Unrestricted Subsidiary. Prior to these transactions, the Company did not have any Unrestricted Subsidiaries. Summarized financial information for (i) the Company and its Restricted Subsidiaries and (ii) the Company's Unrestricted Subsidiaries is as follows:

	September 30, 1998		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)		
Cash and cash equivalents	$ 34,116	$ 167,233	$ 201,349
Other current assets	16,051	26,540	42,591
Property and equipment, net	142,211	402,275	544,486
Goodwill and other intangible assets, net	146,115	417,591	563,706
Other assets, net	15,600	2,207	17,807
	$354,093	$1,015,846	$1,369,939
Current liabilities	$ 11,183	$ 66,166	$ 77,349
Long-term debt	232,803	261,521	494,324
Other liabilities	684	3,936	4,620
Minority interests	-	38,529	38,529
Stockholders' equity	109,423	645,694	755,117
	$354,093	$1,015,846	$1,369,939

	Three Months Ended September 30, 1998			Nine Months Ended September 30, 1998		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$ 14,626	$14,268	$ 28,894	$ 37,993	$14,268	$ 52,261
Costs of operations (exclusive of depreciation and amortization)	6,804	6,255	13,059	16,377	6,255	22,632
General and administrative	5,502	752	6,254	14,270	752	15,022
Corporate development	816	--	816	2,838	-	2,838
Non-cash compensation charges	9,384	1,977	11,361	9,384	1,977	11,361
Depreciation and amortization	4,347	5,063	9,410	12,042	5,063	17,105
Operating income (loss)	(12,227)	221	(12,006)	(16,918)	221	(16,697)
Equity in earnings of unconsolidated affiliate	1,530	-	1,530	2,055	-	2,055
Interest and other income (expense)	16	907	923	1,386	907	2,293
Interest expense and amortization of deferred financing costs	(5,877)	(1,677)	(7,554)	(15,904)	(1,677)	(17,581)
Provision for income taxes	(9)	-	(9)	(218)	-	(218)
Minority interests	-	(328)	(328)	-	(328)	(328)
Net loss	$(16,567)	$ (877)	$(17,444)	$(29,599)	$ (877)	$(30,476)

Tower Cash Flow and Adjusted Consolidated Cash Flow for the Company and its Restricted Subsidiaries is as follows:

	(In thousands of dollars)
Tower Cash Flow, for the three months ended September 30, 1998	$ 3,560
Consolidated Cash Flow, for the twelve months ended September 30, 1998	$ 7,571
Less: Tower Cash Flow, for the twelve months ended September 30, 1998	(14,564)
Plus: four times Tower Cash Flow, for the three months ended September 30, 1998	14,240
Adjusted Consolidated Cash Flow, for the twelve months ended September 30, 1998	$ 7,247

4. STOCKHOLDERS' EQUITY

On August 18, 1998, the Company consummated its initial public offering of common stock at a price to the public of $13 per share (the "Offering"). The Company sold 12,320,000 shares of its common stock and received proceeds of $151,043,000 (after underwriting discounts of $9,117,000 but before other expenses of the Offering, which are expected to total approximately $3,800,000). The net proceeds from the Offering are currently invested in short-term investments.

In anticipation of the Offering, the Company (i) amended and restated the 1995 Stock Option Plan to, among other things, authorize the issuance of up to 18,000,000 shares of common stock pursuant to awards made thereunder and (ii) approved an amendment to its certificate of incorporation to increase the number of authorized shares of common and preferred stock to 690,000,000 shares and 10,000,000 shares, respectively, and to effect a five-for-one stock split for the shares of common stock then outstanding. The effect of the stock split has been presented retroactively in the Company's consolidated financial statements for all periods presented.

During the period from April 24, 1998 through July 15, 1998, the Company granted options to employees and executives for the purchase of 3,236,980 shares of its common stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares vested upon consummation of the Offering and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, the Company has assigned its right to repurchase shares of its common stock from a stockholder (at a price of $6.26 per share) to two individuals (including a newly-elected director) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the share exchange agreement with CTI's shareholders and at prices substantially below the price to the public in the Offering, the Company has recorded a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the Offering. Such compensation charge will total approximately $18.4 million, of which approximately $10.6 million was recognized upon consummation of the Offering (for such options and shares which vested upon consummation of the Offering), and the remaining $7.8 million is being recognized over five years (approximately $1.6 million per year) through the second quarter of 2003. An additional $1.6 million in non-cash compensation charges will be recognized through the third quarter of 2001 for stock options issued to certain members of CTI's management prior to the consummation of the share exchange.

In July 1998, all of the holders of the Company's Senior Convertible Preferred Stock converted such shares into an aggregate of 9,629,200 shares of the Company's common stock. Upon consummation of the Offering, all of the holders of the Company's then-existing shares of Class A Common Stock, Class B Common Stock, Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock converted such shares into an aggregate of 39,842,290 shares of the Company's common 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 September 30,		Nine Months Ended September 30,	
	1997	1998	1997	1998
	(In thousands of dollars, except per share amounts)			
Net loss	$(4,001)	$(17,444)	$(6,150)	$(30,476)
Dividends on Senior Convertible Preferred Stock	(461)	(216)	(461)	(4,348)
Net loss applicable to common stock for basic and diluted computations	$(4,462)	$(17,660)	$(6,611)	$(34,824)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	7,254	53,879	4,672	25,262
Loss per common share - basic and diluted	$ (0.62)	$ (0.33)	$ (1.42)	$ (1.38)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of September 30, 1998: (i) options to purchase 16,254,142 shares of common stock at exercise prices ranging from $.40 to $13.00 per share; (ii) warrants to purchase 1,314,990 shares of common stock at an exercise price of $7.50 per share; and (iii) shares of CTI stock which are convertible into 17,443,500 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. 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.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to assist in understanding the Company's consolidated financial condition as of September 30, 1998 and its results of operations for the three- and nine-month periods ended September 30, 1997 and 1998. The statements in this discussion regarding the industry outlook, the Company's expectations regarding the future performance of its businesses, and the other nonhistorical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the uncertainties relating to capital expenditures decisions to be made in the future by wireless communications carriers and broadcasters and the risks and uncertainties described in "Risk Factors" in the Company's Registration Statement on Form S-1, as amended (Reg. No. 333-57283) (the "Registration Statement") filed with the Securities and Exchange Commission. This discussion should be read in conjunction with the response to Part I, Item 1 of this report and the consolidated financial statements of the Company, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Registration Statement. Any capitalized terms used but not defined in this Item have the same meaning given to them in the Registration Statement.

RESULTS OF OPERATIONS

In May 1997, the Company consummated the TEA Acquisition and the TeleStructures Acquisition. In August 1997, the Company consummated the Crown Merger. In August 1998, the Company consummated a share exchange with the shareholders of CTI, pursuant to which the Company's ownership of CTI increased from approximately 34.3% to 80%. Results of operations of these acquired businesses are included in the Company's consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, the Company's results of operations for the three and nine months ended September 30, 1997 are not comparable to the results of operations for the three and nine months ended September 30, 1998.

Discussion of Pro Forma Results of Operations

As discussed above, the historical financial statements included elsewhere herein do not reflect the results of operations of the businesses of CCIC, Crown and CTI (the "Businesses") on an aggregate basis for all of the periods presented. As a result, management believes that the historical financial statements included elsewhere herein do not, by themselves, provide investors with sufficient information to adequately assess the recent trends of the Businesses. The Company is providing the following discussion of the last two quarters' and the last nine months' pro forma results of operations, therefore, to supplement the historical financial information included elsewhere herein to assist investors in evaluating the Businesses' historical results of operations.

The pro forma results of operations discussed below have been derived from the historical results of operations of the Company for the three months ended September 30, 1998 and June 30, 1998, and for the nine months ended September 30, 1998, and are adjusted to include CTI's results of operations for periods prior to the consummation of the share exchange with the shareholders of CTI. The pro forma results of operations do not purport to present the combined results of operations that the Businesses would have achieved had they been under common ownership and control during such periods, nor are they indicative of the results of operations that may be achieved in the future. The acquisitions of the acquired businesses (including CTI) by CCIC resulted in new bases of accounting whereby the assets and liabilities of the acquired businesses were adjusted to their fair values on their respective dates of acquisition pursuant to Accounting Principles Board Opinion No. 16. To the extent such adjustments resulted in charges to depreciation and amortization expense, such charges do not enter into the determination of costs of operations, general and administrative expenses or corporate development expenses.

Discussion of Three Months Ended September 30, 1998 and June 30, 1998

Revenues for the three months ended September 30, 1998 were $54.3 million, an increase of $5.2 million from the three months ended June 30, 1998. This increase was primarily attributable to (i) a $3.3 million, or 8.8%, increase in site rental and broadcast transmission revenues, of which $3.0 million was attributable to CTI and $0.3 million was attributable to the Crown operations; and (ii) a $3.0 million increase in network services revenues from the Crown operations, partially offset by a $0.9 million decrease in network services revenues from CTI. The increase in site rental and broadcast transmission revenues at CTI was primarily due to additional digital broadcast transmission sites coming into service. The increase in site rental revenues at Crown was primarily due to the addition of 51 towers during the third quarter of 1998. Crown added 50 new tenant leases during the third quarter of 1998, compared to 43 new tenant leases during the second quarter of 1998. The increase in network services revenues at Crown was attributable to the completion of 148 tenant antennae installations during the third quarter of 1998, compared to 58 such installations during the second quarter of 1998. The decrease in network services revenues at CTI was attributable to a decrease in the number of completed projects during the third quarter of 1998 as compared to the second quarter of 1998.

The Company expects demand for third-party site acquisition services to continue to decline. In addition, demand for the Company's network services fluctuates from period to period and within periods. These fluctuations are caused by a number of factors, including the timing of customers' capital expenditures, annual budgetary considerations of customers, the rate and volume of wireless communications carriers' tower build-outs, timing of existing customer contracts and general economic conditions. While such demand fluctuates, the Company must incur certain costs, such as maintaining a staff of network services employees in anticipation of future contracts, even when there may be no current business. Consequently, the operating results of the Company's network services businesses for any particular period may vary significantly, and should not be considered as necessarily being indicative of longer-term results.

Costs of operations for the three months ended September 30, 1998 were $24.0 million, an increase of $1.7 million from the three months ended June 30, 1998. This increase was primarily attributable to a $2.3 million increase in network services costs related to the Crown operations, offset by a $0.8 million decrease in site rental and broadcast transmission costs. Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues decreased to 36.9% for the third quarter of 1998 from 42.2% for the second quarter of 1998; this improvement in margins was due to lower costs at CTI, where a greater proportion of engineering staff cost was incurred in connection with digital terrestrial transmission projects and capitalized. Costs of operations for network services as a percentage of network services revenues increased to 65.2% for the third quarter of 1998 from 55.6% for the second quarter of 1998, primarily due to lower margins from the Crown operations. Margins from the Crown network services operations decreased as a result of increasingly competitive market conditions.

General and administrative expenses for the three months ended September 30, 1998 were $7.1 million, a decrease of $0.2 million from the three months ended June 30, 1998. General and administrative expenses as a percentage of revenues decreased to 13.0% for the third quarter of 1998 from 14.8% from the second quarter of 1998, primarily due to lower expenses at CTI.

Discussion of Nine Months Ended September 30, 1998

Revenues for the nine months ended September 30, 1998 were $149.2 million, consisting of (i) $113.2 million in site rental and broadcast transmission revenues and (ii) $36.0 million in network services and other revenues. Site rental and broadcast transmission revenues from CTI amounted to $97.0 million, or 85.7% of total site rental and broadcast transmission revenues. Network services revenues from CTI, the Crown operations and the TEA operations amounted to $14.5 million, $13.3 million and $4.8 million, respectively.

Costs of operations for the nine months ended September 30, 1998 were $66.4 million, consisting of (i) $44.3 million in site rental and broadcast transmission costs and (ii) $22.1 million in network services and other costs. Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues were 39.1% (41.5% at CTI and 25.3% at Crown). Costs of operations for network services as a percentage of network services revenues were 61.4%.

General and administrative expenses for the nine months ended September 30, 1998 were $20.0 million. General and administrative expenses as a percentage of revenues were 13.4%.

Corporate development expenses for the nine months ended September 30, 1998 were $2.8 million, or 1.9% of revenues. Such costs are incurred primarily at the Company's corporate office.

Discussion of Historical Results of Operations

The following information is derived from the Company's Consolidated Statements of Operations for the periods indicated.

	Three Months Ended September 30, 1997		Three Months Ended September 30, 1998		Nine Months Ended September 30, 1997		Nine Months Ended September 30, 1998	
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues
	(Dollars in thousands)							
Net revenues:								
Site rental and broadcast transmission	$ 3,402	29.6%	$ 18,008	62.3%	$ 6,743	37.0%	$ 28,456	54.4%
Network services and other	8,079	70.4	10,886	37.7	11,503	63.0	23,805	45.6
Total net revenues	11,481	100.0	28,894	100.0	18,246	100.0	52,261	100.0
Operating expenses:								
Costs of operations:								
Site rental and broadcast transmission	817	24.0	5,980	33.2	1,422	21.1	8,398	29.5
Network services and other	5,016	62.1	7,079	65.0	7,187	62.5	14,234	59.8
Total costs of operations	5,833	50.8	13,059	45.2	8,609	47.2	22,632	43.3
General and administrative	2,350	20.5	6,254	21.7	3,841	21.0	15,022	28.8
Corporate development	872	7.6	816	2.8	4,654	25.5	2,838	5.4
Non-cash compensation charges	-	-	11,361	39.3	-	-	11,361	21.7
Depreciation and amortization	2,365	20.6	9,410	32.6	3,295	18.1	17,105	32.7
Operating income (loss)	61	0.5	(12,006)	(41.6)	(2,153)	(11.8)	(16,697)	(31.9)
Other income (expense):								
Equity in earnings (losses) of unconsolidated affiliate	(968)	(8.4)	1,530	5.3	(1,189)	(6.5)	2,055	3.9
Interest and other income (expense)	98	0.8	923	3.2	1,606	8.8	2,293	4.4
Interest expense and amortization of deferred financing costs	(3,172)	(27.6)	(7,554)	(26.1)	(4,368)	(23.9)	(17,581)	(33.7)
Loss before income taxes and minority interests	(3,981)	(34.7)	(17,107)	(59.2)	(6,104)	(33.4)	(29,930)	(57.3)
Provision for income taxes	(20)	(0.2)	(9)	(0.1)	(46)	(0.3)	(218)	(0.4)
Minority interests	-	-	(328)	(1.1)	-	-	(328)	(0.6)
Net loss	$ (4,001)	(34.9)%	$ (17,444)	(60.4)%	$ (6,150)	(33.7)%	$ (30,476)	(58.3)%

Comparison of Three Months Ended September 30, 1998 and 1997

Consolidated revenues for the three months ended September 30, 1998 were $28.9 million, an increase of $17.4 million from the three months ended September 30, 1997. This increase was primarily attributable to (i) a $14.6 million, or 429.3%, increase in site rental and broadcast transmission revenues, of which $12.3 million was attributable to CTI and $2.3 million was attributable to the Crown operations; (ii) a $3.6 million increase in network services revenues from the Crown operations, partially offset by a $3.1 million decrease in network services revenues from TEA ; and (iii) $1.9 million in network services revenues from CTI.

Costs of operations for the three months ended September 30, 1998 were $13.1 million, an increase of $7.2 million from the three months ended September 30, 1997. This increase was primarily attributable to (i) a $5.2 million increase in site rental and broadcast transmission costs, of which $4.3 million was attributable to CTI and $0.9 million was attributable to the Crown operations; (ii) a $2.6 million increase in network services costs related to the Crown operations, offset by a $2.7 million decrease in network services costs from TEA; and (iii) $1.9 million in network services costs from CTI. Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues increased to 33.2% for the three months ended September 30, 1998 from 24.0% for the three months ended September 30, 1997 because of higher costs attributable to the CTI and Crown operations. Costs of operations for network services as a percentage of network services revenues increased to 65.0% for the three months ended September 30, 1998 from 62.1% for the three months ended September 30, 1997, primarily due to lower margins from the Crown and CTI operations. Margins from the Crown network services operations decreased for the three months ended September 30, 1998 as a result of increasingly competitive market conditions.

General and administrative expenses for the three months ended September 30, 1998 were $6.3 million, an increase of $3.9 million from the three months ended September 30, 1997. This increase was primarily

attributable to (i) a $2.2 million increase in expenses related to the Crown operations; (ii) a $0.7 million increase in expenses at the Company's corporate office; and (iii) $0.8 million in expenses at CTI. General and administrative expenses as a percentage of revenues increased for the three months ended September 30, 1998 to 21.7% from 20.5% for the three months ended September 30, 1997 because of higher overhead costs as a percentage of revenues for Crown and TEA and the increase in costs at the Company's corporate office.

Corporate development expenses for the three months ended September 30, 1998 were $0.8 million, compared to $0.9 million for the three months ended September 30, 1997.

The Company has recorded non-cash compensation charges of $11.4 million related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to approximately $1.6 million per year through the second quarter of 2003. See "--Compensation Charges Related to Stock Option Grants."

Depreciation and amortization for the three months ended September 30, 1998 was $9.4 million, an increase of $7.0 million from the three months ended September 30, 1997. This increase was primarily attributable to (i) $5.1 million of depreciation and amortization related to the property and equipment and goodwill from CTI; and (ii) a $1.7 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown Merger.

The equity in earnings (losses) of unconsolidated affiliate represents the Company's 34.3% share of CTI's net earnings (losses) for the periods from March 1997 through August 1998 (at which time the share exchange with CTI's shareholders was consummated). For the two months ended August 31, 1998, after making appropriate adjustments to CTI's results of operations for such period to conform to generally accepted accounting principles of the United States, CTI had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net income of $25.4 million, $7.4 million, $3.1 million and $4.5 million, respectively. Included in CTI's results of operations for such period are noncash compensation charges for approximately $0.6 million related to the issuance of stock options to certain members of CTI's management.

Interest and other income for the three months ended September 30, 1998 resulted primarily from (i) the investment of excess proceeds from the sale of the Company's 10 5/8% Senior Discount Notes due 2007 (the "Notes") in November 1997 (the "1997 Notes Offering"); and (ii) the investment of the net proceeds from the Offering (see "--Liquidity and Capital Resources").

Interest expense and amortization of deferred financing costs for the three months ended September 30, 1998 was $7.6 million, an increase of $4.4 million, or 138.1%, from the three months ended September 30, 1997. This increase was primarily attributable to amortization of the original issue discount on the Notes and interest on CTI's indebtedness.

Minority interests represent the minority shareholder's 20% interest in CTI's operations.

Comparison of Nine Months Ended September 30, 1998 and 1997

Consolidated revenues for the nine months ended September 30, 1998 were $52.3 million, an increase of $34.0 million from the nine months ended September 30, 1997. This increase was primarily attributable to (i) a $21.7 million, or 322.0%, increase in site rental and broadcast transmission revenues, of which $12.3 million was attributable to CTI and $9.4 million was attributable to the Crown operations; (ii) a $10.4 million increase in network services revenues from the Crown operations, partially offset by a $2.2 million decrease in network services revenues from TEA; and (iii) $1.9 million in network services revenues from CTI.

Costs of operations for the nine months ended September 30, 1998 were $22.6 million, an increase of $14.0 million from the nine months ended September 30, 1997. This increase was primarily attributable to (i) a $7.0 million increase in site rental and broadcast transmission costs, of which $4.3 million was attributable to CTI and $2.7 million was attributable to the Crown operations; (ii) a $6.4 million increase in network services costs related to the Crown operations, partially offset by a $2.3 million decrease in network services costs from TEA;

and (iii) $1.9 million in network services costs from CTI. Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues increased to 29.5% for the nine months ended September 30, 1998 from 21.1% for the nine months ended September 30, 1997 because of higher costs attributable to the CTI and Crown operations. Costs of operations for network services as a percentage of network services revenues decreased to 59.8% for the nine months ended September 30, 1998 from 62.5% for the nine months ended September 30, 1997, primarily due to improved margins from the TEA operations. Margins from the Crown network services operations decreased for the nine months ended September 30, 1998 as a result of increasingly competitive market conditions.

General and administrative expenses for the nine months ended September 30, 1998 were $15.0 million, an increase of $11.2 million from the nine months ended September 30, 1997. This increase was primarily attributable to (i) a $7.1 million increase in expenses related to the Crown operations; (ii) a $0.8 million increase in expenses related to the TEA operations; (iii) a $2.0 million increase in expenses at the Company's corporate office; and (iv) $0.8 million in expenses at CTI. General and administrative expenses as a percentage of revenues increased for the nine months ended September 30, 1998 to 28.8% from 21.0% for the nine months ended September 30, 1997 because of higher overhead costs as a percentage of revenues for Crown and TEA and the increase in costs at the Company's corporate office.

Corporate development expenses for the nine months ended September 30, 1998 were $2.8 million, a decrease of $1.8 million from the nine months ended September 30, 1997. Corporate development expenses for the nine months ended September 30, 1997 include nonrecurring compensation charges associated with the CTI Investment of (i) $0.9 million for certain executive bonuses and (ii) the repurchase of shares of the Company's common stock from a member of its Board of Directors, which resulted in compensation charges of $1.3 million. Corporate development expenses for the nine months ended September 30, 1998 include discretionary bonuses related to the Company's performance totaling approximately $0.8 million for certain members of the Company's management.

The Company has recorded non-cash compensation charges of $11.4 million related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to approximately $1.6 million per year through the second quarter of 2003. See "--Compensation Charges Related to Stock Option Grants."

Depreciation and amortization for the nine months ended September 30, 1998 was $17.1 million, an increase of $13.8 million from the nine months ended September 30, 1997. This increase was primarily attributable to (i) an $8.0 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown Merger; (ii) $5.1 million of depreciation and amortization related to the property and equipment and goodwill from CTI; and (iii) a $0.3 million increase in depreciation and amortization related to the property and equipment and goodwill acquired in the TEA and TeleStructures Acquisitions.

The equity in earnings (losses) of unconsolidated affiliate represents the Company's 34.3% share of CTI's net earnings (losses) for the periods from March 1997 through August 1998 (at which time the share exchange with CTI's shareholders was consummated). For the eight months ended August 31, 1998, after making appropriate adjustments to CTI's results of operations for such period to conform to generally accepted accounting principles of the United States, CTI had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net income of $97.2 million, $18.6 million, $13.4 million and $6.0 million, respectively. Included in CTI's results of operations for such period are noncash compensation charges for approximately $3.8 million related to the issuance of stock options to certain members of CTI's management.

Interest and other income for the nine months ended September 30, 1997 includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI. Interest income for the nine months ended September 30, 1998 resulted primarily from (i) the investment of excess proceeds from the sale of the Notes in November 1997; and (ii) the investment of the net proceeds from the Offering (see "--Liquidity and Capital Resources").

Interest expense and amortization of deferred financing costs for the nine months ended September 30, 1998 was $17.6 million, an increase of $13.2 million, or 302.5%, from the nine months ended September 30, 1997. This increase was primarily attributable to amortization of the original issue discount on the Notes and interest on CTI's indebtedness.

Minority interests represent the minority shareholder's 20% interest in CTI's operations.

LIQUIDITY AND CAPITAL RESOURCES

On August 18, 1998, the Company consummated the Offering at a price to the public of $13 per share. The Company sold 12,320,000 shares of its common stock and received proceeds of $151.0 million (after underwriting discounts of $9.1 million but before other expenses of the Offering, which are expected to total approximately $3.8 million). The net proceeds from the Offering are currently invested in short-term investments.

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of CTI pursuant to which such CTI shareholders agreed to exchange their shares of CTI for shares of the Company. On August 18, 1998, the exchange was consummated and the Company's ownership of CTI increased from approximately 34.3% to 80%. The Company issued 20,867,700 shares of its Common Stock and 11,340,000 shares of its Class A Common Stock, with such shares valued at an aggregate of $418.7 million (based on the price per share to the public in the Offering). The Company recognized goodwill of $343.9 million in connection with this transaction, which was accounted for as an acquisition using the purchase method. CTI's results of operations and cash flows are included in the consolidated financial statements for the period subsequent to the date the exchange was consummated.

As of September 30, 1998, the Company had consolidated cash and cash equivalents of $201.3 million (including $18.2 million at CTI), consolidated long-term debt of $494.3 million and consolidated stockholders' equity of $755.1 million.

The Company's business strategy contemplates substantial capital expenditures in connection with (i) the expansion of its tower footprints by partnering with wireless communications carriers to assume ownership of their existing towers and by pursuing build-to-suit opportunities and (ii) to acquire existing transmission networks globally as opportunities arise. The exact amount of such capital expenditures will depend on the number of such opportunities that the Company is able to successfully consummate. The Company is currently pursuing potential significant acquisitions, investments and joint venture opportunities that could require the Company to use all of the proceeds of the Offering and its other cash on hand prior to the end of 1998. For example, the Company has submitted a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. In addition to such U.S. opportunities, the Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. The Company is also pursuing acquisition opportunities in connection with privatizations of state-owned networks. Any of the foregoing could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all.

In addition, the Company anticipates that it will build, through the end of 1999, approximately 700 towers in the United States at a cost of approximately $158.0 million and approximately 200 towers in the United Kingdom at a cost of approximately $23.0 million. The Company also expects that the capital expenditure requirements related to the rollout of digital broadcast transmission in the United Kingdom will be approximately (Pounds)110.0 million ($187.0 million).

On October 8, 1998, the Company acquired all of the outstanding shares of Millennium Communications Limited ("Millennium"), a company which develops, owns and operates telecommunications towers and related assets in the United Kingdom. Millennium currently owns 102 tower sites and will be operated as a subsidiary of CTI. The purchase price of $14.5 million consists of $9.8 million in cash (of which $7.2 million has been paid to date), the assumption of $2.4 million in outstanding debt and 358,678 shares of the Company's common stock valued at $2.3 million (based on the market value of the stock on the acquisition date). In addition, the purchase agreement provides for the issuance of an additional 229,921 shares of the Company's common stock to the sellers upon the achievement of certain operational objectives.

To fund the execution of the Company's business strategy, the Company and its subsidiaries expect to use the net proceeds of the Offering, the borrowings available under the Senior Credit Facility, the borrowings available under the CTI Credit Facility and the remaining net proceeds from the 1997 Notes Offering. Whether the Company utilizes the Senior Credit Facility and the CTI Credit Facility to finance expansion opportunities will depend upon a number of factors, including (i) the attractiveness of the opportunities, (ii) the time frame in which they are identified, (iii) the number of pre-existing projects to which the Company is committed and (iv) the Company's liquidity at the time of any potential opportunity. In the event the Company does not otherwise have cash available (from the net proceeds of the 1997 Notes Offering, the net proceeds of the Offering or otherwise), or borrowings under the Senior Credit Facility or the CTI Credit Facility have otherwise been utilized, when an opportunity arises, the Company would be forced to seek additional debt or equity financing or to forego the opportunity. In the event the Company determines 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 the Company's existing indebtedness. To the extent the Company is unable to finance future capital expenditures, it will be unable to achieve its currently contemplated business strategy.

For the nine months ended September 30, 1997 and 1998, the Company's net cash provided by (used for) operating activities was ($2.1 million) and $3.4 million, respectively. Since its inception, the Company has generally funded its activities (other than its acquisitions and investments) through excess proceeds from contributions of equity capital. The Company has financed its acquisitions and investments with the proceeds from equity contributions, borrowings under the Senior Credit Facility and the issuance of promissory notes to sellers. Since its inception, CTI has generally funded its activities (other than the acquisition of the BBC Home Service Transmission Business) through cash provided by operations and borrowings under the CTI Credit Facility. CTI financed the acquisition of the BBC Home Service Transmission Business with the proceeds from equity contributions and the issuance of the CTI Bonds.

Capital expenditures were $77.7 million for the nine months ended September 30, 1998, of which $3.4 million was for CCIC, $62.1 million was for Crown and $12.2 million was for CTI.

As of November 1, 1998, the Company's subsidiaries had no significant unused borrowing availability under the Senior Credit Facility. The Senior Credit Facility requires the Company to maintain certain financial covenants and places restrictions on the ability of the Company and its subsidiaries to, among other things, incur debt and liens, pay dividends, make capital expenditures, undertake transactions with affiliates and make investments.

As of November 1, 1998, CTI had unused borrowing availability under the CTI Credit Facility of approximately (Pounds)30.0 million ($50.2 million). The CTI Credit Facility requires CTI to maintain certain financial covenants and places restrictions on the ability of CTI to, among other things, incur debt and liens, pay dividends, make capital distributions, make acquisitions, undertake transactions with affiliates and make investments.

Prior to May 15, 2003, the Company's interest expense on the Notes will be comprised solely of the accretion of original issue discount. Thereafter, the Notes will require annual cash interest payments of approximately $26.7 million. In addition, the Senior Credit Facility, the CTI Credit Facility and the CTI Bonds will require periodic interest payments on amounts borrowed thereunder. The Company's ability to make scheduled payments of principal of, or to pay interest on, its debt obligations, and its ability to refinance any such debt obligations (including the Notes and the CTI Bonds), will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. As discussed above, the Company's business strategy contemplates substantial acquisitions and capital expenditures in connection with the expansion of its tower footprints. There can be no assurance that the Company will generate sufficient cash flow from operations in the future, that anticipated revenue growth will be realized or that future borrowings, equity contributions or loans from affiliates will be available in an amount sufficient to service its indebtedness and make anticipated capital expenditures. The Company anticipates that it may need to refinance all or a portion of its indebtedness (including the Notes and the CTI Bonds) on or prior to its scheduled maturity. There can be no assurance that the Company will be able to effect any required refinancings of its indebtedness (including the Notes and the CTI Bonds) on commercially reasonable terms or at all.

In July 1998, all of the holders of the Company's Senior Convertible Preferred Stock converted such shares into an aggregate of 9,629,200 shares of the Company's common stock. Upon consummation of the Offering, all of the holders of the Company's then-existing shares of Class A Common Stock, Class B Common Stock, Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock converted such shares into an aggregate of 39,842,290 shares of the Company's common stock.

REPORTING REQUIREMENTS UNDER THE INDENTURE GOVERNING THE NOTES (THE "INDENTURE")

The following information (as such capitalized terms are defined in the Indenture) is presented solely as a requirement of the Indenture; 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.

Upon consummation of the share exchange with CTI's shareholders, which increased the Company's ownership interest in CTI to 80%, the Company designated CTI as an Unrestricted Subsidiary. In addition, the net proceeds from the Offering were placed into a newly formed subsidiary that was also designated as an Unrestricted Subsidiary. Prior to these transactions, the Company did not have any Unrestricted Subsidiaries. Summarized financial information for (i) the Company and its Restricted Subsidiaries and (ii) the Company's Unrestricted Subsidiaries is as follows:

	September 30, 1998		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)		
Cash and cash equivalents	$ 34,116	$ 167,233	$ 201,349
Other current assets	16,051	26,540	42,591
Property and equipment, net	142,211	402,275	544,486
Goodwill and other intangible assets, net	146,115	417,591	563,706
Other assets, net	15,600	2,207	17,807
	$354,093	$1,015,846	$1,369,939
Current liabilities	$ 11,183	$ 66,166	$ 77,349
Long-term debt	232,803	261,521	494,324
Other liabilities	684	3,936	4,620
Minority interests	-	38,529	38,529
Stockholders' equity	109,423	645,694	755,117
	$354,093	$1,015,846	$1,369,939

	Three Months Ended September 30, 1998			Nine Months Ended September 30, 1998		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$ 14,626	$14,268	$ 28,894	$ 37,993	$14,268	$ 52,261
Costs of operations (exclusive of depreciation and amortization)	6,804	6,255	13,059	16,377	6,255	22,632
General and administrative	5,502	752	6,254	14,270	752	15,022
Corporate development	816	-	816	2,838	-	2,838
Non-cash compensation charges	9,384	1,977	11,361	9,384	1,977	11,361
Depreciation and amortization	4,347	5,063	9,410	12,042	5,063	17,105
Operating income (loss)	(12,227)	221	(12,006)	(16,918)	221	(16,697)
Equity in earnings of unconsolidated affiliate	1,530	-	1,530	2,055	-	2,055
Interest and other income (expense)	16	907	923	1,386	907	2,293
Interest expense and amortization of deferred financing costs	(5,877)	(1,677)	(7,554)	(15,904)	(1,677)	(17,581)
Provision for income taxes	(9)	-	(9)	(218)	-	(218)
Minority interests	-	(328)	(328)	-	(328)	(328)
Net loss	$(16,567)	$ (877)	$(17,444)	$(29,599)	$ (877)	$(30,476)

Tower Cash Flow and Adjusted Consolidated Cash Flow for the Company and its Restricted Subsidiaries is as follows:

	(In thousands of dollars)
Tower Cash Flow, for the three months ended September 30, 1998	$ 3,560
Consolidated Cash Flow, for the twelve months ended September 30, 1998	$ 7,571
Less: Tower Cash Flow, for the twelve months ended September 30, 1998	(14,564)
Plus: four times Tower Cash Flow, for the three months ended September 30, 1998	14,240
Adjusted Consolidated Cash Flow, for the twelve months ended September 30, 1998	$ 7,247

COMPENSATION CHARGES RELATED TO STOCK OPTION GRANTS

During the period from April 24, 1998 through July 15, 1998, the Company granted options to employees and executives for the purchase of 3,236,980 shares of its common stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares vested upon consummation of the Offering and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, the Company has assigned its right to repurchase shares of its common stock from a stockholder (at a price of $6.26 per share) to two individuals (including a newly-elected director) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the share exchange agreement with CTI's shareholders and at prices substantially below the price to the public in the Offering, the Company has recorded a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the Offering. Such compensation charge will total approximately $18.4 million, of which approximately $10.6 million was recognized upon consummation of the Offering (for such options and shares which vested upon consummation of the Offering), and the remaining $7.8 million is being recognized over five years (approximately $1.6 million per year) through the second quarter of 2003. An additional $1.6 million in non-cash compensation charges will be recognized through the third quarter of 2001 for stock options issued to certain members of CTI's management prior to the consummation of the share exchange.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). SFAS 128 establishes new standards for computing and presenting earnings per share ("EPS") amounts for companies with publicly held common stock or potential common stock. The new standards require the presentation of both basic and diluted EPS amounts for companies with complex capital structures. Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period, and excludes the effect of potentially dilutive securities (such as options, warrants and convertible securities) which are convertible into common stock. Dilutive EPS reflects the potential dilution from such convertible securities. SFAS 128 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 128 in its financial statements for the year ended December 31, 1997.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income ("SFAS 130"). SFAS 130 establishes standards for the reporting and display of comprehensive income in a company's financial statements. Comprehensive income includes all changes in a company's equity accounts (including net income or loss) except investments by, or distributions to, the company's owners. Items which are components of comprehensive income (other than net income or loss) include foreign currency translation adjustments, minimum pension liability adjustments and unrealized gains and losses on certain investments in debt and equity securities. The components of comprehensive income must be reported in a financial statement that is displayed with the same prominence as other financial statements. SFAS 130 is effective for fiscal years beginning after December 15, 1997. The Company has adopted the requirements of SFAS 130 in its financial statements for the three months ended March 31, 1998.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information ("SFAS 131"). SFAS 131 establishes standards for the way that public companies report, in their annual financial statements, certain information about their operating segments, their products and services, the geographic areas in which they operate and their major customers. SFAS 131 also requires that certain information about operating segments be reported in interim financial statements. SFAS 131 is effective for periods beginning after December 15, 1997. The Company will adopt the requirements of SFAS 131 in its financial statements for the year ending December 31, 1998.

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, Reporting on the Costs of Start-Up Activities ("SOP 98-5"). SOP 98-5 requires that costs of start-up activities be charged to expense as incurred and broadly defines such costs. The Company has deferred certain costs incurred in connection with potential business initiatives and new geographic markets, and SOP 98-5 will require that such deferred costs be charged to results of operations upon its adoption. SOP 98-5 is effective for fiscal years beginning after December 15, 1998. The Company will adopt the requirements of SOP 98-5 as of January 1, 1999. The cumulative effect of the change in accounting principle for the adoption of SOP 98-5 will result in a charge to results of operations in the Company's financial statements for the three months ended March 31, 1999; it is currently estimated that such charge will amount to approximately $2,300,000.

YEAR 2000 COMPLIANCE

The Company is in the process of conducting a comprehensive review of its computer systems to identify which of its systems will have to be modified, upgraded or converted to recognize and process dates after December 31, 1999 (the "Year 2000 Issue"), and is in the initial stages of developing an implementation plan to resolve the issue. The Company expects to incur internal staff costs, as well as other expenses, related to testing and updating its systems to prepare for the Year 2000. The Company presently believes that, with modifications and upgrades to existing software and successful conversion to new software, the Year 2000 Issue will not pose significant operational problems for the Company's systems as so modified, upgraded or converted. Although the Company is in the initial phases of determining the impact of the Year 2000 Issue, the Company anticipates it will be fully Year 2000 compliant by September 1, 1999; however, any delays or omissions by the Company or its customers, suppliers or contractors to resolve the Year 2000 Issue could materially adversely affect the Company's business, financial condition or results of operations. There can be no assurance that amounts to be spent on addressing the Year 2000 Issue will not be material.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On August 7, 1998, the stockholders of the Company unanimously approved the following matters: (i) various terms of the share exchange agreement with certain shareholders of CTI in relation to shares and options held by certain officers of the Company and CTI; (ii) the Company's restated Certificate of Incorporation to take effect upon consummation of the initial public offering and the share exchange agreement; (iii) a five-for-one stock split for outstanding shares of the Company's common stock; and (iv) an amendment to the Crown Castle International Corp. 1995 Stock Option Plan to, among other things, authorize the issuance of up to 18,000,000 shares of common stock pursuant to awards made thereunder.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS:

11.1 Computation of Net Loss Per Common Share
27.1 Financial Data Schedule

(b) REPORTS ON FORM 8-K:

None.

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: November 16, 1998

By: /s/ CHARLES C. GREEN, III

Charles C. Green, III
Executive Vice President
and Chief Financial Officer
(Principal Financial Officer)

Date: November 16, 1998

By: /s/ WESLEY D. CUNNINGHAM

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

EXHIBIT 11.1

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF NET LOSS PER COMMON SHARE
(In thousands of dollars, except per share amounts)

	Three Months Ended September 30, 1997	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1998
	(In thousands of dollars, except per share amounts)			
Net loss	$(4,001)	$(17,444)	$(6,150)	$(30,476)
Dividends on Senior Convertible Preferred Stock	(461)	(216)	(461)	(4,348)
Net loss applicable to common stock for basic and diluted computations	$(4,462)	$(17,660)	$(6,611)	$(34,824)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	7,254	53,879	4,672	25,262
Loss per common share - basic and diluted	$ (0.62)	$ (0.33)	$ (1.42)	$ (1.38)

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF OPERATIONS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE RELATED FOOTNOTES THERETO.

1,000
U.S. DOLLARS

9-MOS
DEC-31-1998
JAN-01-1998
SEP-30-1998
1
201,349
0
34,066
232
5,209
243,940
557,666
13,180
1,369,939
77,349
494,324
0
0
938
754,179
1,369,939
0
52,261
0
22,632
46,326
0
17,581
(29,930)
218
(30,476)
0
0
0
(30,476)
(1.38)
(1.38)