

**CROWN CASTLE INTERNATIONAL
FIRST QUARTER 2015 EARNINGS CALL**

Operator: Good day and welcome to the Crown Castle International Q1 2015 Earning Conference Call. Today's conference is being recorded. At this time I'd like to turn the conference over to Son Nguyen. Please go ahead sir.

Son Nguyen: Thank you Hannah, and good morning, everyone. Thank you for joining us today as we review our first quarter 2015 results.

With me on the call this morning are Ben Moreland, Crown Castle's Chief Executive Officer, and Jay Brown, Crown Castle's Chief Financial Officer.

To aid the discussion, we have posted supplemental materials in the investor section of our Website at crowncastle.com which we will refer to throughout the call this morning. This conference call will contain forward looking statements which are subject to certain risk, uncertainties, and assumptions and actual results may vary materially from those expected.

Information about potential factors which could affect our results is available in the press release and the risk factor sections of the company's SEC filing. Our statements are made as of today April 23, 2015 and we assume no obligations to update any forward looking statements.

In addition, today's call includes discussions of certain non-GAAP financial measures. Tables reconciling these non-GAAP financial measures are available in the Supplemental Information Package in the investor section of the company's website at crowncastle.com

With that, I will turn the call over to Jay.

Jay Brown: Thanks, Son, and good morning, everyone.

We started 2015 off with a great first quarter. The US wireless carriers continue to make investments to upgrade their networks to keep pace with increasing consumer wireless demand, and we expect to see strong leasing activity throughout 2015.

Turning to first quarter results on slide 3, site rental revenue grew 3 percent year-over-year from \$747 million to \$768 million. Organic site rental revenue grew 5 percent year-over-year, comprised of approximately 3 percent growth from cash escalations in our tenant lease contracts, and approximately 6 percent growth from new leasing activity, net of approximately 4 percent from non-renewals.

Moving to slide 4, Adjusted EBITDA and AFFO exceeded the high-end of our previously provided first quarter 2015 Outlook. As mentioned in our earnings release yesterday, the outperformance during the quarter includes two timing items that impact first quarter 2015 results and second quarter 2015 Outlook.

First, network services gross margin contribution was higher than our expectations for the quarter by approximately \$9 million due to network services activity that was previously expected to occur during the second quarter taking place during the first quarter.

Second, sustaining capital expenditures during the quarter was lower than expected by approximately \$6 million. This expected \$6 million in sustaining capital expenditures is expected be invested during the remainder of 2015. Ignoring the benefit from the timing of these two items, Adjusted EBITDA and AFFO for the first quarter would be at or higher than the midpoint of our previously provided first quarter Outlook.

Turning to investment activities, as shown on slide 5, during the first quarter, we invested \$205 million in capital expenditures. These capital expenditures included \$17 million in sustaining capital expenditures and \$24 million in land purchases.

During the first quarter, we completed over 500 land transactions, of which 20% were purchases with the remainder being lease extensions. For full year 2015, we are targeting completing over 2,000 land transactions. Our proactive approach to achieving long-term control of the ground beneath our sites is core to our business as we look to control our largest operating expense and produce stable and growing cash flow over time.

Today, approximately one-third of our site rental gross margin is generated from towers on land we own and approximately 70 percent on land we own or lease for more than 20 years. This number increases to 90 percent when we include ground leases of 10 or more years. Where we have ground leases, the average term remaining on our ground leases is approximately 30 years. More detailed information regarding the ground interests beneath our towers is available in our Supplemental Information Package on our Website.

Of the remaining capital expenditures, we invested \$164 million in revenue generating capital expenditures, consisting of \$96 million on existing sites and \$68 million on the construction of new sites, primarily small cell construction activity.

We continue to see significant growth in site rental revenues from small cells, which grew in excess of 35% year-over-year. Today, small cells represents 7% of our site rental revenues and site rental gross margin.

Small cells offer a shareable model, similar to towers, that provides wireless carriers with a solution to address network capacity constraints where a macro tower site is not available or is insufficient. Our investments in small cell anchor builds typically generate 6 to 8 percent initial yields and gross margins of 60 to 70 percent. With the collocation of the second tenant on the initial fiber investment, we typically see incremental margins of 80 to 90 percent, bringing IRR's above the 20 percent level.

We believe investing in small cells builds on our core competency as the leading provider of US wireless infrastructure, leveraging our existing relationships with the wireless carriers. Like towers, tenant leases on small cells are typically long-term with 10 to 15 year committed terms with annual escalators.

Given what we are seeing from the wireless carriers and their public commentary, we believe we are in the early stages of small cells adoption and deployment. Similar to towers built in the late 1990's and early 2000's, we are focused on building small cell networks in the most attractive locations in the US in places like Manhattan, Washington DC, Southern California and Chicago.

As mobile data demand grows, the necessity of small cells has increased as evidenced by our growing pipeline of approximately 2,500 anchor builds and collocations on existing systems which have been awarded to us but not yet in construction. To date, inclusive of our acquisition of NextG in 2012, we have invested approximately \$1.7 billion in small cells.

Our current yield on the investment is 7%, inclusive of our \$1 billion investment in NextG at an initial yield of approximately 4%. With our leadership position of over 14,000 nodes on-air or under construction and 7,000 miles of fiber, we are winning new opportunities and driving yields up on our existing investments in small cell networks.

Shifting to financing activities, during the quarter, we also paid a quarterly common stock dividend of \$0.82 per share, or \$274 million in aggregate.

As of March 31st, our total net debt to last quarter annualized Adjusted EBITDA is 5.3 times. We continue to maintain target leverage ratio at 5.0x as we remain focused on achieving an investment grade credit rating. Our weighted average cost of debt stands at 4.1 percent with a weighted average maturity of six years.

We believe over time our disciplined approach to leverage and capital allocation, including dividend policy, will lower our cost of capital. A core strategy of the company is to reduce our cost of capital and thereby increase the value to shareholders of our large growing annuity like business.

Turning to second quarter Outlook on slide 6, on a sequential basis, the second quarter 2015 Outlook for site rental gross margin, Adjusted EBITDA and AFFO are expected to be impacted by certain seasonal or timing items. Repair and maintenance during the second quarter of 2015 is expected to be higher by approximately \$4 million as compared to the first quarter, reflecting the seasonal nature of certain activities consistent with prior years.

As mentioned in the press release, the expected sequential movements in our Outlook for network services gross margin and sustaining capital expenditures are attributable to timing, as expectations for network services gross margin contribution and sustaining capital expenditures remain substantially unchanged from the previously provided full year 2015 Outlook.

Moving on to full year 2015 Outlook on slide 7, we have increased the midpoint of our full year 2015 Outlook for site rental revenue by \$7 million and AFFO by \$3 million. The increased Outlook reflects the strong results from the first quarter and includes the negative impact from a decrease in foreign exchange rate assumptions related to our Australia business, which is expected to impact site rental revenues and AFFO by \$8 million and \$6 million, respectively.

Given the underlying favorable fundamentals, which Ben will speak to, we remain confident in our ability to generate annual AFFO growth of 6 to 7 percent organically over the next five years, with cash escalation on our tenant leases contributing to half of the expected growth. We believe this growth, combined with returning significant capital to shareholders through dividends, provides shareholders with compelling long-term total returns.

With that, I'll turn it over to Ben.

Ben Moreland: Thanks, Jay, and thanks to all of you for joining us on the call this morning.

As Jay mentioned in his remarks, we are focused on providing shareholders with attractive long-term total returns. We measure long-term total returns as dividend yield plus growth in AFFO per share. I would like to take a moment to explain the composition of the total return profile we offer to shareholders.

Turning to slide 8, based on yesterday's closing stock price, we expect to deliver, on average, long-term total returns of approximately 10 to 11 percent per year. This 10 to 11 percent of total returns is comprised of approximately 4 percent current dividend yield plus 6 to 7 percent annual growth in AFFO organically. While the dividend yield ultimately will be determined by the market, we believe our business model, given its growth and quality, compares very favorably to some of the best in-class REIT's who have dividend yields of approximately 3 percent.

Turning to our expected growth, of the 6 to 7 percent annual growth in AFFO organically, about half of this growth comes from our existing book of business via the cash escalations in our tenant lease contracts. For some context, we currently have approximately \$22 billion of high-quality future revenues under long-term contract primarily with the four major US wireless carriers.

The remaining 50% of expected AFFO growth comes from new leasing activity. This activity is driven by carrier network investments as the carriers deploy more equipment to add capacity and coverage either in the form of new tenant collocation on our sites or amendments to existing locations. As has been true since the early days of the wireless industry, network quality continues to be the market differentiator for carrier success.

Today, the industry is seeing unprecedented data growth on new LTE networks supported by more robust devices and applications. As a result, growing consumer demand and usage is leading to an inevitable need for carrier network investments.

As can be seen on slides 9 and 10, there is a strong relationship between consumer usage, unit economics and carrier capital investment. With strong unit economics of approximately \$50 per subscriber per month, or \$600 annually, U.S. carriers are able to generate positive incremental returns on their capital investment. The relatively high ARPU is supported by the staggering amount of mobile data consumption by U.S. subscribers.

As we look to the future, demand for mobile data is seemingly limitless. Cisco's latest report confirms this view, projecting US mobile data traffic will increase seven fold between 2014 and 2019, after accounting for Wi-Fi offloading. There are many factors contributing to the insatiable demand for mobile data. However, a couple of themes jump out to me, including innovation around devices and applications and user demographics.

First, there is an immense amount of innovation taking place around mobile devices and applications. Businesses and consumers are reinventing the way we live and do business, taking advantage of the convenience and accessibility that mobile data provides. For example, there is increasing adoption of Internet TV, or over-the-top content offerings.

Today, we can stream video on demand on a cellular network with applications such as YouTube, Netflix and Hulu, just to name a few. Applications such as these drove mobile video data growth of 60 percent in 2014. By 2019, mobile data traffic from video is expected to be nine times higher than current levels. Video enriched content represents an exciting revenue opportunity for wireless carriers and promises to propel the next wave of network investment.

Machine-to-machine, or M2M, connections, including wearable devices, is another example of an area of innovation that is expected to drive significant growth in mobile data usage. Today, there is on average 1.2 connected devices per US wireless consumer. By 2019, it is estimated that there will be 3.2 connected devices per US wireless consumer. Examples of M2M connections include home security and automation, smart metering and utilities, and connected cars. Mobile data traffic generated from M2M connections is expected to double each year between now and 2019.

Turning to demographics, consumer profile plays a significant part in mobile data usage. Applications such as text and email are widely embraced equally across all age groups. However, social networking, video viewing and music streaming are skewed towards younger subscribers, which over time will become a larger percentage of the overall subscriber base. Subscribers in the age range of 18-29 year olds stream video and music at two to three times the rate of subscribers 30 year olds and up. The upcoming change in demographics alone will likely lead to significant increased mobile data demand.

Based on the expected growth in US mobile data, we have been intentionally expanding our portfolio of wireless infrastructure in the US by investing in the AT&T and T-Mobile tower transactions, adding over 17,000 towers, and making significant investments in small cell networks over the last several years. As nearly three-fourths of our sites are located in the top 100 markets, we have a tremendous opportunity to capture incremental leasing from increasing sale site density necessary to keep up with demand.

Further, we have ample capacity and opportunity to accommodate additional carriers on these sites. Towers continue to be the most efficient and cost-effective way for carriers to add network capacity and coverage and support our bullish long-term view on site leasing. As Jay has already mentioned, we are very excited by the small cells opportunity. It is an opportunity for us to extend our leadership position in wireless infrastructure. With initial yields of 6 to 8 percent, which is higher than the typical tower acquisition yields, and the same underlying shareable model that leads to IRR's above 20 percent on the second tenant, it clearly meets our return thresholds.

We believe small cells is a great investment and we are in the very early stages of this opportunity. Three years ago when we acquired NextG Networks, the then leader in the field of Small Cell or DAS deployment, we had a thesis that this architecture of fiber-fed deployments would play an important role in adding capacity to networks of the future as carriers seek to monetize the data opportunity. Today our investment thesis has been validated beyond our expectations.

As we examine the large and growing pipeline of system deployments or developments upon which we are engaged, it is apparent this is not a niche solution – rather it promises to add capacity in virtually every urban and suburban geography in the U.S. Just like towers, we believe some of the best assets will be those that were secured early where colocation, upgrades and expansion is virtually assured.

So, in summary, we are pleased with the start of the year and very excited about the long-term trends that promise to bring more opportunity for Crown Castle to assist our customers in realizing their objectives. In doing so, we believe our capabilities and portfolio of assets will continue to provide an attractive investment for shareholders and a great place to work for our employees.

With that operator, I'd like to turn the call over for questions.

Operator: Thank you. If you'd like to ask a question please signal by pressing star 1 on your telephone keypad. If you're using a speakerphone is turned off to allow your signal to reach our equipment. Again press 1 to ask a question.

And we'll go ahead and take our first question from Simon Flannery with Morgan Stanley.

Simon Flannery: Great, thanks very much. Good morning. Ben, can you just talk a little bit about carrier activity through the year? We saw some very low capex from AT&T and Verizon this first quarter. Were you seeing any impact from people waiting to see what they ended up with in the AWS auctions and is there a sense that activity is picking up through the year?

And then for Jay, you mentioned your investment grade target. You're getting pretty close to that five times. What do you think the path in the timing is here to actually close the deal on that? Thanks.

Ben Moreland: Sure Simon, thanks for the questions. As we look at carrier activity it's shaping up pretty much like we thought for the year. I think on the Verizon call they intimated a little back and loaded back on capex spending and reconfirming their guidance for the whole year. That's probably what we're seeing a little back end loaded but that's consistent with how we originally forecast the guidance.

And if you just think about how various carriers have in flow with their network enhancements and their capital spending we've gotten to the point where we don't get really that worked up about individual carriers and individual quarters and how it shapes up. It's gotten fairly consistent across the years and the inevitability of cell site density and more upgrades on existing sites.

We're seeing each of the carriers work on increasing network quality in their own way and they talk about it publicly and obviously with us and that's what we work on every day. So I'd say it's shaping up about like what we thought and perhaps a little back end loaded.

Simon Flannery: Okay thank you.

Jay Brown: On your second question I'm not really able to provide you with a path or timing on when we'll get there. But what I can tell you is we've had a number of conversations with each of the rating agencies and they've been engaged in ongoing dialogue for this subject for the over a year around achieving the investment grade credit rating. And as you point out let me note as we're nearing our leverage target the vast majority of our credit metrics are, if not within, very close to meeting their published criteria for achieving an investment grade credit rating.

So we're optimistic and pleased with where we've gotten to in the approach of the agency to take in towards upgrading the credit over the last 18 months to 2 years and we think we're on the right path, just don't know the exact timing of that.

Simon Flannery: Great. Thank you.

Operator: And we'll take our next question from David Barden with Bank of America.

David Barden: Hello guys, thanks. Thanks for the details on the small cell business 7% of revenue. I think this is the first time that you may have shared that it's also 7% of the site rental margin as well which suggests that even at this stage of development, the small cell business is generating margins that are equivalent to the totality of the business. And I guess that's a little surprising given that these are mostly presumably one tenant business thus far and they could advance from here.

Could you elaborate a little bit on the cost structure and in margin opportunity that's developing in the small cell business? Thanks.

Ben Moreland: Sure David. That speaks to the initial yield differential between a typical tower you'd acquire or a small cell system you might build. As we mentioned across our entire cumulative investment we're at 7% today which is staggering given that \$1 billion of that came at 4% three years ago as we remember with Next G.

So obviously that incremental \$700 million had to do pretty well. And obviously we've grown Next G appropriately as we would've forecasted. So it reflects that initial higher yield on invested capital and in the very high incremental margins from co-location. And we're seeing co-location on a significant number of the original Next G systems where we're adding to that existing plant as well as additional laterals off of it.

So from a financial perspective we're extremely comfortable with what we see going forward. I guess maybe to broaden your question a little bit, the challenges are around deployment. We're extremely busy as Jay mentioned about our back log. We've got a lot going on. We've added a lot of people to that business.

It's not all capitalized so we've got overhead dragging net business a little bit but we're thrilled with what we see in terms of the opportunity and more and more as we really dig into the engagements that we're getting and you look at the geographies you come to the conclusion as I mentioned in my notes. It's not a niche product. It's not - it's somewhat random actually.

You're seeing capacity needs in so many urban and suburban areas that you can quickly start to figure out that we're talking about a universe here. I think it's hundreds of thousands of nodes over time. Honestly we'll never be able to accomplish all of that ourselves. There'll be many other

people in this market but the size of the opportunity honestly reminds us a little bit of the early days of towers and we're going about it as fast as we possibly can.

David Barden: Thanks Ben. And Jay if I could follow up with one question just on the sharing side, it looks like you trimmed a little bit the expectations for non-renewals in this year. Is that on the Sprint/Nextel side or is that on the other acquired carrier side and how do you see the moving parts moving for the rest of the year? Thanks.

Jay Brown: Yes Dave. We really don't see much of a change from our previous expectations around sharing. So for the full year we basically expect to see the amount of sharing as we did previously, maybe a little of it pushed out further in the year so on a percentage basis it's moved a little bit but there's nothing underlying that, tenths of a basis point there that we saw move in the numbers. No real change in our expectation or actual activity to any meaningful amount.

David Barden: Okay great. Thanks guys.

Operator: And we'll go to our next question with Phil Cusick with JP Morgan.

Phil Cusick: Hello guys, thanks. Talk about the services side. It seems like the services slow down pretty highly correlates to the key Verizon probably Sprint to lower capex. Will you anticipate a pretty quick rebound to your carriers as carriers ramp capex in the second half?

Jay Brown: So, you know, we made the comments around the timing from first quarter to second quarter it's obviously challenging for us in the business to necessarily know exactly how things are going to fall out in the year. It's the service's business because all of the work that we're doing is related to work that's done on our sites. We have pretty good visibility to the balance of the year around leasing activity.

And so as we went into the year and as evident by the fact that we increased the outlook, about \$15 million on an FX neutral basis for site rental revenue, from a leasing standpoint the years shaping up to be maybe slightly better than what we'd originally expected. And so our services assumption follows that, that services for the full year are about what we have previously expected.

So I wouldn't get too tied up in sequential quarter to quarter change. It has to do with how the carriers allocate the capital and when they spend it. For the full year activity looks like it's going to be about the same as what it was in 2014 and so our services business basically matches that.

Phil Cusick: Okay. And then as I think about - someone mentioned leverage getting down towards five times. With the stock trading where it is why not be looking into buy some of that back? Are you working on the - trying to get the rating agencies through before you look at that or should we look at that as being a more near term possibility?

Ben Moreland: Phil it's always a possibility and you know we're not shy about buying stock, but as you can tell from our results we're spending pretty much all our free cash flow and a little bit more on what we think are incredibly attractive investment opportunities as we've outlined on this call with small cells primarily. And so I look for that to continue.

I don't see a huge amount of free cash flow availability to buy stock for the near term and I do think that certainly as we've outlined, one of our core strategic objectives is to secure the investment grade rating which I think completely maximizes the monetization of the dividend power of this business and then it insulates the balance sheet going forward to a degree on the overall cost of debt long term. So it's something we're going to focus pretty carefully on and I think we're on the path to that hopefully sooner than later.

Phil Cusick: Got it.

Jay Brown: Just over the longer term we, as you have seen us do for a long period of time once we get to the targeted level of leverage so it's about five times, once we're down there at that level that'll produce borrowing capacity as we're growing EBITDA in or around just for instance \$100 million a year. That's creating \$500 million of additional capacity once we get down to that targeted level of leverage.

So in the short term again you see it's focused as Ben mentioned on getting down to the five times level and then once we're down there then we create additional capacity for investment. And absolutely stock purchases are the benchmark against which we compare all the investments that we make in the business.

Phil Cusick: Thanks.

Operator: And we'll go to our next question with Brett Feldman with Goldman Sachs.

Brett Feldman: Thanks for taking the question. I was hoping you could maybe give us an update on the progress involving the Australian segment, and if then you do determine to close the transaction how do you think about prioritizing the cash and can you just remind us on how you may be able to utilize the NOLs?

Ben Moreland: Sure Brett. As we mentioned before and put out a press release we're engaged in a process to evaluate the sale of our Australian business. I don't have anything to announce this morning other than to say that that's ongoing and we have a number of very highly qualified folks that we're speaking with about that and so I won't predict the outcome there for you because it's certainly not complete.

If we were to elect to pursue a transaction there and complete a sale, I think we'd first approach it from a leverage neutral proposition as we talked about just a moment ago on Phil's question. So in or around \$500 million proportional debt reduction is required for that but that'd still leave a significant amount of proceeds available that then we'd have for investment opportunity. And just like with any proceeds or capacity we have, we'd look to do what maximizes long term AFFO per share.

That can include buying stock. It can include buying another asset, continuing to invest around the core business. So all of that is on the table and we'll seek to maximize the outcome of those proceeds. And I'll - finally to your last point Brett on the tax position, we have the benefit of the NOLs so there won't be any taxes paid at the corporate level.

We also believe that as a REIT we'll generate a significant capital gain inside the REIT that'll then get passed out to shareholders in the form of the next amount of dividend we pay will be in fact capital gain treatment. So to the extent we were paying in and around \$1.1 billion of dividends on an annual basis. That capital gain would go out as a lower tax rate than the ordinary income tax rate that the normal quarterly dividend receives.

Then to the extent, the remainder doesn't in fact cover the income within the REIT. That's where we could actually use the NOL to make up that gap. So the shorter answer is there's no tax paid at the corporate level and at the shareholder level to the extent to the gain it'd be capital gain treatment as our best estimate today versus ordinary income. So we think that's extremely favorable.

Brett Feldman: Great, thanks for that color.

Operator: And we'll go to our next question with Jonathan Schildkraut with Evercore ISI.

Justin Ages: Hello, this is Justin for Jonathan. Thanks for taking my question. If I can just ask further on the investment grade. I know you said getting down to around 4.1 as your cost of debt. I was

hoping to get some more color on the total cost of capital if you're able to reduce to investment grade.

Jay Brown: Well I think ultimately that's determined by the market. What I'd tell you based on the work that we've done, is there's meaningful benefits to the company over time we believe from achieving the investment grade credit rating.

Our aim as a business as we talked about over a long period of time, we think we can generate a significant amount of shareholder value by the way we added additional revenue to the existing assets that we own, allocate the remaining portion of the capital outside of the dividend distribution, smart investments like we've talked about this morning for small cell, and then thirdly providing a risk profile of the business that lowers the cost of capital.

And there's a lot of things that go into that. Part of it is how we allocate the capital and the percent of that capital that's distributed to shareholders in the form of basically a certain return on the investment that's made. We think another component is that it's capital structure. So that the business, regardless of the cycle that the market may be in, has the view that the business and the balance sheet are sustainable and can continue to achieve a low cost which provides additional certainty to the payment of the dividend.

And so I'll leave investors to make their own judgment on where we think ultimately the cost of the equity should fall. Today if you look at where our credit rating is and where bonds are trading and if you were to assume that we were at the low end of an investment grade credit rating then they'd be 80 to 100 basis points of a difference in where we'd issue a bond, a ten year bond investment grade, not investment grade.

So there's certainly some debt cost associated with that improvement in the overall cost of debt but more broadly as we speak about this we think there are more broad implications in terms of how the business achieves a lower overall cost of capital over the long term and that's why we're so focused on it.

Justin Ages: Great, thank you.

Operator: And we'll go to Ric Prentiss with Raymond James.

Ric Prentiss: Thanks, good morning. Two questions if I could. First I think Ben you were mentioning how a lot of the service's business, it might've been Jay, is at your own towers. I remember you guys have about 6,000 towers from Sprint back from the old global signal acquisition. Are you seeing any activity from a services business standpoint in your guidance for Sprint starting to activate its Spark project, the 2.5 gigahertz stuff?

Ben Moreland: Ric I think we're going to probably decline to get into specifics around what a particular carrier's done on our site. You know we normally refer you back to them to talk about their activity. That's their business and we talk about overall -- I think to Simon's original question -- overall activity we're seeing that's consistent with what we saw at the beginning of the year and up a little bit as Jay mentioned in our guidance, that we've trimmed up a little bit for the year off the first quarter so probably not going to get into a whole lot of specifics there.

I would actually make a comment about our services business that's helpful to remind everybody. In 2014 we grew that business about 40% which was consistent with the growth in the portfolio really over the last year or so from '13 as we brought on the AT&T towers.

So when we projected for 2015 that the services contribution would be similar to what we saw in '14, that's also consistent with the portfolio size. So that's effectively what's happening this year, is that we're running we think pretty flat to last year's contribution which is consistent with the size

of the portfolio. And so just an observation for those that may not be paying that close attention to our history.

Ric Prentiss: Okay. And then a bizarre question next. With Sprint, we understand there's a lot of discussion with vendors, equipment manufactures about providing vendor financing to help them maybe look at deploying that Spark project. Have you ever considered offering financing to carriers for higher rent?

Ben Moreland: Let me just say this. Yes, we've considered it. It has been proposed and when we looked at it we haven't found it to be an attractive proposition for us nor a gating factor that determined whether a carrier went on a site or not.

So obviously our objective and it's what we work on every day is getting carriers on our towers and we couldn't satisfy ourselves that providing financing or not would actually influence the buying decision, whether they need that tower or not. So typically the carriers have access to capital for many different sources, public markets, vendor financing as you suggest and we have had it proposed a few times and it frankly didn't look that compelling to us to actually sway the buying decision and so we decided so far not to do it.

Ric Prentiss: It makes sense why it's a lot more nice to be a tower company than an equipment company. The final question I've got for you is over small cells. Jay you mentioned 2,500 anchor co-locs are in back log awarded but not in construction. How much capex should we think is associated with that and Ben you said where the challenge is just deploying it. Talk to us a little bit about the gating factors there. Is it money? Is it people? What are you talking about there?

Jay Brown: The 2,500 that I referenced is a combination of anchor build as well as co-locations on the existing system. The anchor build, typically when we're building new anchor builds we're spending about \$100,000 per node. The majority of that cost is associated with building the fiber to build the system where those nodes are going to go.

The amount of capital necessary as we co-locate on existing systems is significantly lower than that. What I'd guide you towards is if you look at our activity and small cell in the amount of capital that we've been spending over the last several quarters our forward look is about the level that we've spent over the last two quarters if you were to annualize two or three quarters if you were to annualize it. Maybe trending upwards a little bit.

Obviously you've heard us talk about this business over time. This is - it's directly related to the returns that we see in the business so to the extent that the returns stay intact as we see currently then we're happy to continue to pursue RFPs and other initiatives that the carriers are launching in various markets to pursue, to expand, and frankly invest more capital than even our run rate would suggest as long as the returned expectations stay the same.

So I think the - if you think then about what's the biggest hurdle, the hurdle isn't necessarily around not having enough capital to pursue it. We have access to plenty of capital to continue to do it. We'd be focused on whether the returns appropriately reflecting what we like about the business and where we think the growth is. And then frankly do we have enough manpower to achieve and accomplish what the carriers are looking to do?

Ben Moreland: Really it's the gating factors as you suggested Ric, really the whole cycle of construction, the designing of the systems with the carrier's input, real estate permitting and then real estate rights, securing those rights and then permitting and then the construction and the longer we're at this the better we get.

We've got a lot of folks that are extremely good at what they do and I think actually by far the leading position in the industry and that capability. But it hasn't necessarily shortened the construction cycle and I'm very convinced it's a significant barrier to entry in this business

because there's a lot of building on of these systems in getting the carriers installed in time and on budget and we're getting pretty good at that.

Ric Prentiss: Great. If I remember right it was about \$50 million last quarter, \$70 million this quarter so maybe \$120 million for the last two quarters in capex and maybe \$240 to \$250 million annual is what you're thinking like?

Ben Moreland: That's our current run rate and to the extent we find more opportunities we're happy to invest more capital than that.

Ric Prentiss: Okay thanks guys.

Operator: And we'll go to Kevin Smithen with Macquarie.

Kevin Smithen: Thanks. Jay what is the expected incremental small cell node revenue connections required to hit the midpoint high end or low end of guidance. Of that 2,500 in backlog, how many will actually generate revenue by the end of December?

Jay Brown: Very little if any. Typically once we start a construction of small cells we're in a 15 to 18 month cycle in most cases. So they'd likely represent activities that'll come online in 2016. We have a very healthy back log of nodes that are currently in construction. If you look at our total revenue guidance 2014 to 2015, we're expecting revenue growth between \$150 and \$160 million in total.

And small cells would comprise about \$50 to \$60 million of that growth and towers being a remainder of \$100 million of that growth and that's the way it falls out. Obviously a number - when you look at the year over year impact the number of - a meaningful portion of that \$50 to \$60 million of growth in small cells are nodes that we're turning on now during the second quarter that'll then produce revenues for the balance of the year.

Kevin Smithen: And then if I start to look at the 5.0% organic cash growth and 2.3% GAAP growth and you factor in the small cell connections straight line and incremental churn. It appears if you can see a nice bump up of GAAP and organic cash leasing growth in '16. Is that the right way to think about it? All else being equal knowing what you know today?

Jay Brown: I think more certainly we're not going to give guidance this year for 2016. But what I'd tell you is we laid out a five year forecast of how we think AFFO per share growth organic basis of about 6 to 7% and add to that the dividend distribution we're going to make. Assumed in that is a level of leasing activity similar to what we saw in 2014 and are seeing in 2015.

The change that we expect to see in 2015 to 2016 is a reduction in the impact of churn. In calendar year 2015 we're expecting the impact to churn to be approximately \$115 million. And in 2016 as we've laid out our longer term forecast for the non-renewal we expect that number to be approximately \$75 million in 2016.

So the pick up that we would expect at least based on our longer term forecast that we provided to you wouldn't be so much in change in activity. We've assumed a similar level of activity but in the amount of renewals we're assuming a reduction in that by about \$40 million, thereby increasing the amount of AFFO if you want to think about it that way or net organic leasing. It's about a 2% increase roughly at the AFFO line if you're comparing 2015 to what would be flowing through those assumptions 2016 and back.

Kevin Smithen: Any color on straight line for next year?

Jay Brown: No, I wouldn't give you that much. I wouldn't get into that much detail on this call. We'll give 2016 outlook when we get to the third quarter. One thing that I'd point you to which is - can be

helpful if you're looking at that, we're providing a significant amount of detail in the supplemental packet and you can see what's currently on the book today and what the burn off of what straight line revenues over time for years well beyond 2016.

And those would reflect all of the leases that are currently signed and producing revenue and you can see how that flows I think out through 2020.

Kevin Smithen: Great thank you.

Operator: And next we'll go to Amir Rozwadowski with Barclays.

Amir Rozwadowski: Thank you very much. Just following up on the prior question understanding the longevity of what seems to be a healthy investment environment. It does seem like your expectations are baking in sort of a reduction in the churn impact moving away from 2015. I'm sitting back and thinking we've got commentary out there that Sprint seems to be focused on network densification initiatives.

T-Mobile has been vocal about its A-block spectrum build. Obviously we just had the AWS spectrum auction and public safety. If I start to put all of those pieces together can we find ourselves in a situation in which you have a spending environment that at least is good but potentially better when looking at all these moving pieces from the carrier side?

Ben Moreland: Sure, this is Ben. I think everything you just outlined is possible and longer beyond, even that is the deployment of the AWS-3 spectrum that was just auctioned and then you mentioned FirstNet potentially and then the DISH spectrum. Having been at this a long time like many of us here have there are always ebbs and flows and sure, the leasing environment could improve in '16 or '17.

I'd caution you though, remember we're adding about \$100 million of new revenue per year on the tower base today as Jay just mentioned. And so if that were to increase by, let's just say 30% for example, to take some of your upside, that's a 1% change in revenue growth or a 2% change in AFFO growth. So we work on that every day, that's what everybody listening to this call that works at Crown is focused on. But I want to caution you, and it's one of the wonderful things about this business, the inflections up or down are relatively muted.

And as we mentioned out of a 10 to 11% total return profile, two-thirds is already on the books in the dividend and the contracted escalators. So that last spurt which is growth, we're absolutely focused on it, but maybe the up and down on that is a couple percentage points on AFFO growth which we'd love to see. Don't get me wrong but that's one of the wonderful things about the business, is it's not very moveable to tell you the truth.

Amir Rozwadowski: That's very helpful, just a follow up question. Obviously you folks have taken a differentiated view versus some of your peers on the international arena. We're starting to hear some chatter about potential assets coming available in Europe which is a different investment profile than where we've seen international expansion take place with some of your peers before.

I was wondering what your thoughts could be around if some of those assets became available, whether or not they'd be attractive and if that'd change the shift and focus for you as some of those assets became available.

Ben Moreland: Sure. It's something certainly we'd look at. We used to operate in the U.K. in a very large way. The European market has developed in a much different way than North America so we'd want to make certain that the underwriting of those assets appropriately took into account what the co-location opportunity was going to be over time there.

I would, in a positive sense, remark on our ability to finance locally there at a very attractive level. So to the extent that we'd look at something there we could certainly put an implicit hedge on the currency by financing locally. So there are a lot of attractive attributes to looking at Western Europe.

It would come down in my mind to what's the underwriting on the towers and what's the opportunities for revenue growth around the marketplace there. And there's some dynamics in the Western European market that's made it a little more challenging to underwrite co-location growth. And so we'd want to make sure we get that right but I have absolutely no aversion to that and think it's something we could certainly look at.

Amir Rozwadowski: Thank you very much for the color.

Operator: And we'll go to Colby Synesael with Cowen and Company.

Colby Synesael: Great, two questions if I may. First off I was hoping you could give us a little bit of color on expectations for total capex for the remainder of the year based off the \$205 million that you just did in the first quarter. It was higher than we anticipated.

And then also we've been hearing that you're seeing carriers increasingly looking to use C-RAN architecture in their deployment, not just a small cell DAS level but also the macro site. I was hoping you could comment on whether or not you're actually seeing that and if you are how that's changing if it is at all how carriers buy from you or what they buy from you. Thank you.

Jay Brown: Colby on your first question around total capex, as we gave guidance previously, I think we would expect to consume all of the excess cash flow. If you were to take AFFO and subtract out the dividend that our current policy suggests for the balance of the year, I think we'll spend all of that on activity, the vast majority is likely to be directed towards small cells.

As I answered one of the earlier questions about activity and interest in expanding it given the returns that we're seeing in small cells we'd be willing to go beyond that cash flow amount and finance opportunities to the extent they exceeded the amount of cash flow that's produced but I think as a starting place what I'd suggest is that you assume we utilize all of the excess cash flow beyond a dividend for investment and assets and that may ebb and flow a little bit quarter to quarter depending on how many projects we complete in any given quarter.

Ben Moreland: Colby without taking you through a technology lesson I'm certainly not qualified to do on the call. I'll make one comment about what we've seen around C-RAN architecture and the possibilities there. And it's extremely early but essentially what it may do for us is it may remove some of the ground space requirements at towers. And so to the extent that you've got a tower that may have a ground space challenge, i.e. not a very big footprint.

By moving those base stations offsite into a base station hotel and remotely powering that through fiber, it's something that we look at positively over time and potentially makes the upgrade cost of some of the smaller monopoles diminished and makes them more attractive over time. So it's extremely early but I think the trend will be if we go down that path with that kind of architecture it's going to add value to some of the smaller sites that potentially would've been challenging or expensive to add additional land and that may not be required now. That's about all I have on that so far.

Colby Synesael: Okay great. I'll take it. Thank you.

Operator: Next we'll go to Batya Levi with UBS.

Batya Levi: Great, thanks. Couple of follow ups. First on the capex spend on the existing sides; I think it was \$98 million. Can you talk about how much capacity that creates and how if you could help us

gage what the incremental boost of revenue growth would provide over the longer term and if that level shifts to where it's more small cell and like a one quarter pick up?

And then the - if you could also provide some color on that \$15 million increase in the organic growth. Was that mostly coming from the small cell and maybe the breakdown of activity in terms of amendments and new site leasing? Thank you.

Jay Brown: Okay sure. On your first question, when we spend capex on existing sites that's always success based as we like to say around the place. So success based means that we don't spend any of that capital until there's a tenant ready to go onto that particular site. And so there - in terms of increasing the capacity of our existing site occasionally there's some natural increase to the capacity of the site but generally the site is just made ready for the tenants who are staying there, ready to go on it.

The impact that has to revenues as you know oftentimes as a part of that transaction - we receive some upfront prepaid rent associated with the site and so it does benefit longer term recurring revenue as we receive some of that rent upfront rather than amortized on a - rather than receiving it on a cash basis month to month.

On your second question around the increase in \$15 million that we increased 2015 outlook for site rental revenue virtually all of that is related to a small cell activity. It was very little that came from towers. The vast majority was small cells and achieved a good portion of that in the First Quarter increasing our run rate for the balance of 2015.

The split of new licenses and amendments is very similar to what we expected. We think full year 2015 is pretty similar to what we saw in the quarter. It's in the neighborhood of 60 to 65% new licenses and the balance being amendments. That's what we saw approximately in 2014 and we expect a similar level in 2015.

Batya Levi: Great thank you.

Operator: Next we'll go to Michael Bowen with Pacific Crest.

Michael Bowen: Okay thank you very much for taking the questions. Most have been asked but I'm curious about when you talk about - I think you said it both ways on the call. I'm hoping you can clarify this. I believe you said AFFO but also AFFO per share growth over the next five years in that 6 to 7% range.

So once we clear that up, under what scenarios could we possibly see rather than that staying steady, given the spectrum allocation and more expected to come next year, more deployments obviously, almost implies that you're predicting a headwind against some of the growth given a backdrop of strong spectrum deployment and continued capex on the wireless sides. So if you could talk to that that'd be helpful.

Ben Moreland: Okay sure. Well to clear up your first that's easy. We mean per share. So AFFO per share is all we work at around here. That's all that really matters. So certainly - and so our statement is 6 to 7% AFFO per share growth is our five year outlook on what we can deliver.

And then to the headwind comment actually it's maybe exactly the reverse. Let me walk you through. As you can tell this year our guidance is about 5% AFFO growth and I'd just point out that's carrying 800 basis points of non-renewals and about 100 basis points of FX headwind. So you can - I'm actually proud of that. If you look at that the core growth in the business that we're able to generate that 5% net. So the 5% net number this year, if we're making a five year statement saying 6 to 7% over five years, well then obviously it has to pick up through the second through the fifth year.

And I think where Jay took the previous question is where I'd go which is for planning purposes we'd suggest that we capture that additional growth to get back to that 6 and 7% over five years by the reduction in non-renewals as we laid out in the supplement. This is the peak year for non-renewals and as that tails off we pick up a couple hundred basis points next year and probably more the following year just on the basis of the same level of leasing.

And as I was answering the question earlier, we'll absolutely work on capturing additional leasing opportunities if they're there and there's a scenario where they are there. I think each of the carriers in their own way are talking about adding cell site density and the requirements to do that. I think that's an inevitable outcome of the spectrum auctions and the demands being placed on the systems by mobile data as we talked about earlier.

So I think it's inevitable that we're going to see continued leasing. I can't today forecast for you if that's going to a bunch of favorable trends conspire to the point where we pick up maybe another 30% of leasing which would be again 1% incremental revenue growth and about an incremental 200 basis points at the AFFO line.

That'd be tremendous if that happened but it'd require that all four carriers pull on the horse at the same time and that's not often the case in our industry. We have people in various stages of their deployment cycle. That's always been the case and so it - we don't plan on seeing an inflection point up but there's a case that can be made that that's possible certainly. And if it's there I can assure you we'll capture it.

Michael Bowen: And then a quick follow up. Actually you mentioned four carriers. Now we might possibly have a fifth with the announcement of Google yesterday on Project FI. Can you give us some thoughts? Have you had discussions with Google? Have you talked to them about this and how this may impact your business?

Ben Moreland: We've actually had a number of conversations with Google. I really won't go into the substance of those but as you'd expect they're extremely well versed in wireless and wireless networks. I think what we've seen in their announcement yesterday is a continuation of what we've seen for a long time and that there's a lot of outside companies with a vested interest in having access to wireless consumers.

And so that's always been the case and Google being the latest one. I look at it as a net positive in that it's going to drive to the extent they're successful. It's going to drive additional network capacity requirements into the Sprint and T-Mobile networks which fundamentally gives them a revenue stream to then re-invest in network capacity to accommodate that demand.

And given the fact that - and I don't say this lightly. Given the fact that where we sit, we're the most expeditious and cost effective way to add network capacity, I like where we sit. And so we'll see how that develops over time but as carriers deploy additional spectrum, as they add additional equipment and new cell sites, we as Crown and frankly the industry are the most effective, cost effective way for that to occur.

Michael Bowen: Okay, thanks for taking those questions.

Operator: And we'll take Spencer Kurn with New Street Research.

Spencer Kurn: Hello guys, thanks for taking the question. Given the new AMX tower spin in Mexico I just wanted to know if you have any thoughts on how the Mexican market compares to the other international markets you've looked at, whether you're more comfortable with the risk profile at their banks?

Ben Moreland: To be honest we haven't looked at it that carefully lately. It's true that in many emerging markets the case for wireless growth is very clear and we can all understand how consumers who

may not have had access to wireless or certainly the internet now offer an affordable alternative would be high users with wireless data and a shared infrastructure model in many of these markets makes perfect sense.

It all depends in our mind on - we bring the wrong currency to any of the markets that we'd enter by definition. And so it's completely a function of initially pricing the assets such that it reflects the risk undertaking we'd be undertaking in terms of currency movement and then what the fundamental growth on the revenue per site opportunity is in terms of co-location to achieve an attractive total return on investment. And thus far in most of those markets - frankly in all of those markets we haven't seen that price equation come back into congruity for us but others have different views.

So to me it's not a question of the business model. It's purely a reflection on price and pricing in that mismatch of currency.

Spencer Kurn: Thanks. And just one more if I may. On small cells the revenue growth has been accelerating pretty steadily for the four, five quarters. Could you talk about - do you have enough longevity to know - to get sense for the organic contribution that you've been seeing?

Ben Moreland: I don't know how to parse that for you Spencer. There's a lot of nomenclature in that business that's not the same as towers. And so what I'd say is we have a significant amount of co-location going on which you might say okay, that's organic. I'd agree with you but every time you look at one of those there's always typically an additional lateral or two or three that a new carrier would take that the old carrier didn't and so that wouldn't be organic. That'd be new.

So I don't want to take you through all this on the call but it's a hybrid. It's always a hybrid between co-locations and new and if we look at our total growth in that business, it's a significant contribution from co-los and then a significant contribution from new. That's about as tight as we can make it.

Jay Brown: Spencer I think one of the things just as you're modeling the business and thinking about it that you find over time is that in the tower case if you're building towers the input cost as well as monthly rent and the operating costs are relatively stable and have been for a long period of time.

When we move at small cells we're really - we're making a financial transaction where we're pricing the rent to the carrier, the various components of the relationship between the carrier that installs there against a very different proposition. The cost can vary per system, the number of nodes per fiber mile can vary per system. That's varying the amount of cost of fiber.

Some of it can be aerial. Some of it can be buried. We can be in locations where it's very expensive to dig up a - for instance in other places where the cost of laying fiber isn't as high. And so because the costs are so variable therefore the revenue and the margin in terms of nominal dollars vary.

And so as we think about the business and allocate capital we're always looking at it on a yield and total return basis and those conversations and systems look very different than what they do historically when we build power. So where we've given most of our disclosure and as we've talked about the business as you've heard on past calls and again this morning, we focus on how is the yield on total investment doing and as we mentioned the largest portion of the \$1.7 billion that we invested was an asset that we bought at about a 4% yield.

And we've taken the entire small cell contribution and return on the investments that we've made in small cells. We've taken that entire \$1.7 billion to a 7% yield today which implies a significant amount of contribution on a - I think as we'd all call it organic basis. But as Ben mentioned it's a blend so it's not as clean as looking at did you own the tower yesterday and today and what portion of the revenues or cash flows came on a same tower basis. It's not as clean. So we

focused more on yield and looking at yield and looking at driving total yields up on this being total base of capital. Hopefully that's helpful color as you think about model in the business.

Spencer Kurn: Very helpful. Thanks again.

Ben Moreland: I think we have time for one more question.

Operator: And we'll take our last question from Ana Goshko with Bank of America.

Ana Goshko: Hello thanks very much. I'll try to make it quick. I just wanted to follow up on the earlier comment. There's a lot of focus on the benefits of getting investment grade rating and the companies intend to do that in the short term. But then when you talk about the potential completion of the Australian asset sale or unit stake, you said the intent would be to leave leverage neutral. I'm wondering why isn't that an opportunity to reduce leverage and really be the catalyst to get the company over the goal line into the investment grade rating.

Jay Brown: Sure Ana. I think when we say leverage neutral we mean that on a ratio basis, not nominal dollars. So we'd think about it as maintaining leverage neutral on a ratio basis. When we've looked at this and have done this over time for a long period of time there's obviously what one would call a way or path for getting to five times. That's not necessarily necessary.

So we think about this and have - worked on this for a number of years of letting the growth in EBITDA naturally deleverage the business towards investment grade. And we don't see any emphasis or need frankly to accelerate that beyond what we'd see in due course.

So I think in all likelihood it's been described if we're ultimately successful in monetizing our Australian business unit then you should expect us to maintain leverage ratio neutral and then invest the balance as the capital and either assets or the purchase of our own stock. And we'll match our growth towards getting to the investment grade credit ratio that we're aiming for.

Ben Moreland: It's a great question. I think the answer is we're going to get there soon enough either way and so we don't - we use that capital for incremental growth in all likelihood.

Ana Goshko: Okay. And then just as a quick follow up one of the issues with I think the overall rating is the company has taken advantage of this secured and securitized market where you do get a low cost of capital but that does put pressure on the rating. Where are you guys in thinking of moving towards more of an investment grade type capital structure where you really have less security than it does lessen the pressure that the agencies put on the overall corporate rating?

Jay Brown: You're right. I think over time as we get towards that investment grade credit rating and maybe even as we achieve it you'll see us have a more simplified cash structure. Today we have several entities underneath our parent that have availed themselves to securitized debt. That's enabled us to achieve a very low cost of capital even though leverage may be outside of what'd typically be an investment grade credit.

So I think what you'll see over time is we'll clean up some of the complexity in the capital structure which will mean a lessening of our exposure to securitized debt and more of the debt moves towards the holding company. But it also means you should expect that all of it will go away. I think we'll continue to avail ourselves of that market. It gives the system diversity of sources of capital and even once we do achieve an investment grade rating, I think that we'll still find that attracting some debt capital on a securitized basis with some portion of our assets makes good sense and helps to lower the overall cost of debt as capital.

Ana Goshko: Okay great. Thank you very much.

Ben Moreland: Very good. I think that wraps us up. Thank you for staying with us. I guess we went 70 minutes, appreciate everybody's attention and we look forward in speaking with you on next quarter's call. Thank you.

Operator: That concludes today's conference. Thank you for your participation.