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

FORM 10-Q

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

For the quarterly period ended June 30, 2012

OR

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

For the transition period to

Commission File Number 001-16441

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

Delaware	**76-0470458**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1220 Augusta Drive, Suite 500, Houston, Texas 77057-2261
(Address of principal executives office) (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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

Number of shares of common stock outstanding at July 27, 2012: 293,037,526

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

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Cautionary Language Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on our management's expectations as of the filing date of this report with the SEC. Statements that are not historical facts are hereby identified as forward-looking statements. In addition, words such as "estimate," "anticipate," "project," "plan," "intend," "believe," "expect," "likely," "predicted," forms of these words and similar expressions are intended to identify forward-looking statements. Such statements include plans, projections and estimates contained in *"Part I—Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Part I—Item 3. Quantitative and Qualitative Disclosures About Market Risk"* herein. Such forward-looking statements include (1) expectations regarding anticipated growth in the wireless communication industry, carriers' investments in their networks, new tenant additions, cancellations of customer contracts and demand for our towers and small cell operations and technologies, including the expected impacts of the Wireless Capital Partners, LLC acquisition and the NextG Networks, Inc. acquisition, (2) availability of cash flows and liquidity for, and plans regarding, future discretionary investments including capital expenditures, (3) anticipated growth in our future revenues, margins, Adjusted EBITDA and operating cash flows, and (4) expectations regarding the credit markets, our availability and cost of capital, and our ability to service our debt and comply with debt covenants.

Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including prevailing market conditions, risk factors described under *"Part II—Item 1A. Risk Factors"* herein and in *"Item 1A. Risk Factors"* of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 ("2011 Form 10-K") and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(In thousands of dollars, except share amounts)

	June 30, 2012	December 31, 2011
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 96,175	$ 80,120
Restricted cash	275,948	252,368
Receivables, net	124,154	77,258
Prepaid expenses	101,063	80,529
Deferred income tax assets	93,889	85,385
Deferred site rental receivables and other current assets, net	47,881	23,492
Total current assets	739,110	599,152
Deferred site rental receivables, net	736,225	621,103
Property and equipment, net of accumulated depreciation of $4,023,205 and $3,824,136, respectively	5,347,867	4,861,227
Goodwill	2,776,121	2,035,390
Other intangible assets, net	2,391,292	2,178,182
Long-term prepaid rent, deferred financing costs and other assets, net	607,061	250,042
Total assets	$ 12,597,676	$ 10,545,096
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 46,279	$ 32,055
Accrued interest	64,162	65,392
Deferred revenues and below-market tenant leases	195,330	167,238
Other accrued liabilities	104,050	104,904
Current maturities of debt and other obligations	79,303	32,517
Total current liabilities	489,124	402,106
Debt and other long-term obligations	8,307,783	6,853,182
Deferred income tax liabilities	81,665	97,562
Below-market tenant leases, deferred ground lease payable and other liabilities	853,106	500,350
Total liabilities	9,731,678	7,853,200
Commitments and contingencies (note 10)		
Redeemable convertible preferred stock, $0.1 par value; 20,000,000 shares authorized; shares issued and outstanding: June 30, 2012—0 and December 31, 2011—6,111,000; stated net of unamortized issue costs; mandatory redemption and aggregate liquidation value: June 30, 2012—$0 and December 31, 2011—$305,550	—	305,032
CCIC stockholders' equity:		
Common stock, $.01 par value; 600,000,000 shares authorized; shares issued and outstanding: June 30, 2012—293,038,013 and December 31, 2011—284,449,372	2,930	2,844
Additional paid-in capital	5,599,106	5,312,342
Accumulated other comprehensive income (loss)	(89,065)	(116,996)
Accumulated deficit	(2,648,530)	(2,811,945)
Total CCIC stockholders' equity	2,864,441	2,386,245
Noncontrolling interest	1,557	619
Total equity	2,865,998	2,386,864
Total liabilities and equity	$ 12,597,676	$ 10,545,096

See notes to condensed consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (Unaudited)
(In thousands of dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net revenues:				
Site rental	$ 517,588	$ 457,103	$ 1,015,117	$ 913,299
Network services and other	67,923	43,233	122,139	86,076
Net revenues	585,511	500,336	1,137,256	999,375
Operating expenses:				
Costs of operations(a):				
Site rental	131,571	121,143	254,442	239,558
Network services and other	40,262	25,906	71,783	53,130
General and administrative	47,078	41,259	98,079	86,003
Asset write-down charges	3,646	6,205	6,690	10,606
Acquisition and integration costs	7,495	490	9,175	1,044
Depreciation, amortization and accretion	152,482	138,191	291,882	275,464
Total operating expenses	382,534	333,194	732,051	665,805
Operating income (loss)	202,977	167,142	405,205	333,570
Interest expense and amortization of deferred financing costs	(144,940)	(126,483)	(282,412)	(253,169)
Gains (losses) on retirement of long-term obligations	(7,518)	—	(14,586)	—
Interest income	382	208	736	379
Other income (expense)	(2,249)	(4,098)	(3,326)	(4,704)
Income (loss) before income taxes	48,652	36,769	105,617	76,076
Benefit (provision) for income taxes	68,432	(5,755)	61,737	(4,938)
Net income (loss)	117,084	31,014	167,354	71,138
Less: Net income (loss) attributable to the noncontrolling interest	1,071	143	1,310	250
Net income (loss) attributable to CCIC stockholders	116,013	30,871	166,044	70,888
Dividends on preferred stock	—	(5,202)	(2,629)	(10,403)
Net income (loss) attributable to CCIC stockholders after deduction of dividends on preferred stock	$ 116,013	$ 25,669	$ 163,415	$ 60,485
Net income (loss)	$ 117,084	$ 31,014	$ 167,354	$ 71,138
Other comprehensive income (loss):				
Available-for-sale securities, net of tax of $0, $0, $0 and $0, respectively:				
Unrealized gains (losses) on available-for-sale securities, net of taxes	—	(1,160)	—	(7,537)
Derivative instruments, net of taxes of $5,712, $0, $5,712 and $0, respectively:				
Net change in fair value of cash flow hedging instruments, net of taxes	—	(425)	—	(850)
Amounts reclassified into results of operations, net of taxes	10,609	17,959	26,947	35,848
Foreign currency translation adjustments	(6,645)	6,084	244	10,154
Total other comprehensive income (loss)	3,964	22,458	27,191	37,615
Comprehensive income (loss)	121,048	53,472	194,545	108,753
Less: Comprehensive income (loss) attributable to the noncontrolling interest	1,057	150	570	633
Comprehensive income (loss) attributable to CCIC stockholders	$ 119,991	$ 53,322	$ 193,975	$ 108,120
Net income (loss) attributable to CCIC common stockholders, after deduction of dividends on preferred stock, per common share:				
Basic	$ 0.40	$ 0.09	$ 0.57	$ 0.21
Diluted	$ 0.40	$ 0.09	$ 0.57	$ 0.21
Weighted-average common shares outstanding (in thousands):				
Basic	290,649	285,280	287,781	286,139
Diluted	291,203	287,026	289,029	288,215

(a) Exclusive of depreciation, amortization and accretion shown separately.

See notes to condensed consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
(In thousands of dollars)

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Cash flows from operating activities:		
Net income (loss)	$ 167,354	$ 71,138
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation, amortization and accretion	291,882	275,464
Gains (losses) on retirement of long-term obligations	14,586	—
Amortization of deferred financing costs and other non-cash interest	48,780	51,482
Stock-based compensation expense	17,105	17,254
Asset write-down charges	6,690	10,606
Deferred income tax benefit (provision)	(65,544)	2,545
Other adjustments	(41)	4,309
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in accrued interest	(1,950)	146
Increase (decrease) in accounts payable	(2,488)	(7,094)
Increase (decrease) in deferred revenues, deferred ground lease payables, other accrued liabilities and other liabilities	(3,145)	(40,120)
Decrease (increase) in receivables	(26,225)	3,468
Decrease (increase) in prepaid expenses, deferred site rental receivables, long-term prepaid rent, restricted cash and other assets	(122,662)	(105,389)
Net cash provided by (used for) operating activities	324,342	283,809
Cash flows from investing activities:		
Payments for acquisitions of businesses, net of cash acquired	(1,199,316)	(12,375)
Capital expenditures	(159,697)	(116,690)
Other investing activities, net	1,188	829
Net cash provided by (used for) investing activities	(1,357,825)	(128,236)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	2,100,000	—
Proceeds from issuance of capital stock	238	757
Principal payments on debt and other long-term obligations	(34,744)	(16,792)
Purchases and redemptions of long-term debt	(699,486)	—
Purchases of capital stock	(35,673)	(192,563)
Borrowings under revolving credit agreement	—	102,000
Payments under revolving credit facility	(251,000)	(71,000)
Payments for financing costs	(40,237)	(82)
Net (increase) decrease in restricted cash	12,620	27,088
Dividends on preferred stock	(2,481)	(9,939)
Net cash provided by (used for) financing activities	1,049,237	(160,531)
Effect of exchange rate changes on cash	301	543
Net increase (decrease) in cash and cash equivalents	16,055	(4,415)
Cash and cash equivalents at beginning of period	80,120	112,531
Cash and cash equivalents at end of period	$ 96,175	$ 108,116

See notes to condensed consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY
(In thousands of dollars, except share amounts) (Unaudited)

	Redeemable Convertible Preferred Stock		CCIC Stockholders						
			Common Stock						
	Shares	Amount	Shares	($.01 Par)	Additional Paid-In Capital	AOCI	Accumulated Deficit	Noncontrolling Interest	Total
Balance, April 1, 2012	—	$ —	292,928,485	$ 2,929	$5,591,191	$ (93,043)	$ (2,764,543)	$ 132	$2,736,666
Stock-based compensation related activity, net of forfeitures	—	—	113,168	1	7,915	—	—	—	7,916
Purchases and retirement of capital stock	—	—	(3,640)	—		—	—	—	—
Other comprehensive income (loss)(a)	—	—	—	—	—	3,978	—	(14)	3,964
Disposition of noncontrolling interest	—	—	—	—	—	—	—	368	368
Net income (loss)	—	—	—	—	—	—	116,013	1,071	117,084
Balance, June 30, 2012	—	$ —	293,038,013	$ 2,930	$5,599,106	$ (89,065)	$ (2,648,530)	$ 1,557	$2,865,998

	Redeemable Convertible Preferred Stock		CCIC Stockholders						
			Common Stock						
	Shares	Amount	Shares	($.01 Par)	Additional Paid-In Capital	AOCI	Accumulated Deficit	Noncontrolling Interest	Total
Balance, April 1, 2011	6,361,000	$ 316,813	290,717,872	$ 2,907	$5,549,448	$ (164,197)	$ (2,925,266)	$ 104	$2,462,996
Stock-based compensation related activity, net of forfeitures	—	—	(6,404)	—	7,864	—	—	—	7,864
Purchases and retirement of capital stock	—	—	(3,612,029)	(36)	(150,302)	—	—	—	(150,338)
Other comprehensive income (loss)(a)	—	—	—	—	—	22,451	—	7	22,458
Dividends on preferred stock and amortization of issue costs	—	232	—	—	—	—	(5,202)	—	(5,202)
Net income (loss)	—	—	—	—	—	—	30,871	143	31,014
Balance, June 30, 2011	6,361,000	$ 317,045	287,099,439	$ 2,871	$5,407,010	$ (141,746)	$ (2,899,597)	$ 254	$2,368,792

	Redeemable Convertible Preferred Stock		CCIC Stockholders						
			Common Stock						
	Shares	Amount	Shares	($.01 Par)	Additional Paid-In Capital	AOCI	Accumulated Deficit	Noncontrolling Interest	Total
Balance, January 1, 2012	6,111,000	$ 305,032	284,449,372	$ 2,844	$5,312,342	$ (116,996)	$ (2,811,945)	$ 619	$2,386,864
Stock-based compensation related activity, net of forfeitures	—	—	997,109	10	17,333	—	—	—	17,343
Conversion of redeemable convertible preferred stock into common stock	(6,111,000)	(305,180)	8,285,905	83	305,097	—	—	—	305,180
Purchases and retirement of capital stock	—	—	(694,373)	(7)	(35,666)	—	—	—	(35,673)
Other comprehensive income (loss)(a)	—	—	—	—	—	27,931	—	(740)	27,191
Dividends on preferred stock and amortization of issue costs	—	148	—	—	—	—	(2,629)	—	(2,629)
Disposition of noncontrolling interest	—	—	—	—	—	—	—	368	368
Net income (loss)	—	—	—	—	—	—	166,044	1,310	167,354
Balance, June 30, 2012	—	$ —	293,038,013	$ 2,930	$5,599,106	$ (89,065)	$ (2,648,530)	$ 1,557	$2,865,998

	Redeemable Convertible Preferred Stock		CCIC Stockholders						
			Common Stock						
	Shares	Amount	Shares	($.01 Par)	Additional Paid-In Capital	AOCI	Accumulated Deficit	Noncontrolling Interest	Total
Balance, January 1, 2011	6,361,000	$ 316,581	290,826,284	$ 2,908	$5,581,525	$ (178,978)	$ (2,960,082)	$ (379)	$2,444,994
Stock-based compensation related activity, net of forfeitures	—	—	911,515	9	18,002	—	—	—	18,011
Purchases and retirement of capital stock	—	—	(4,638,360)	(46)	(192,517)	—	—	—	(192,563)
Other comprehensive income (loss)(a)	—	—	—	—	—	37,232	—	383	37,615
Dividends on preferred stock and amortization of issue costs	—	464	—	—	—	—	(10,403)	—	(10,403)
Net income (loss)	—	—	—	—	—	—	70,888	250	71,138
Balance, June 30, 2011	6,361,000	$ 317,045	287,099,439	$ 2,871	$5,407,010	$ (141,746)	$ (2,899,597)	$ 254	$2,368,792

(a) See the statement of operations and other comprehensive income (loss) for the allocation of the components of "other comprehensive income (loss)."

See notes to condensed 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, 2011, and related notes thereto, included in the 2011 Form 10-K filed by Crown Castle International Corp. ("CCIC") with the SEC. All references to the "Company" include CCIC and its subsidiary companies unless otherwise indicated or the context indicates otherwise.

The Company owns, operates and leases shared wireless infrastructure, including: (1) towers, (2) distributed antenna systems ("DAS"), a type of small cell ("small cells"), and (3) third party land interests, including ground lease related assets (unless the context otherwise suggests or requires, references herein to "wireless infrastructure" include towers, small cells and third party land interests). The Company's core business is renting space on its towers, small cells and, to a lesser extent, third party land interests (collectively, "site rental business") via long-term contracts in various forms. The Company also provides certain network services relating to its wireless infrastructure, consisting of installation services, and site development services relating to existing and new antenna installations on its wireless infrastructure. The Company conducts its operations through wireless infrastructure portfolios in the United States (including Puerto Rico) and Australia.

Basis of Presentation

The condensed consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at June 30, 2012, and the consolidated results of operations and the consolidated cash flows for the six months ended June 30, 2012 and 2011. The year end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. 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.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the Company's consolidated financial statements are disclosed in the Company's 2011 Form 10-K, other than certain changes to deferred credits.

Deferred Credits

Deferred credits are included in “deferred revenues and below-market tenant leases” and “below-market tenant leases, deferred ground lease payable and other liabilities” on the Company's consolidated balance sheet and consist of the estimated fair value of the following items recorded in conjunction with acquisitions: (1) below-market tenant leases for contractual interests with tenants on the acquired wireless infrastructure and (2) above-market leases for land interests under the Company's wireless infrastructure.

Fair value for these deferred credits represents the difference between the stated contractual payments to be made pursuant to the in-place lease and management's estimate of fair market lease rates for each corresponding lease. Deferred credits are measured over a period equal to the estimated remaining economic lease term considering renewal provisions, and economics associated with those renewal provisions, to the extent applicable. Below market tenant leases and above market leases for land interests are amortized to site rental revenues and site rental costs of operations, respectively, over their respective estimated remaining lease term at the acquisition date.

New Accounting Pronouncements

No accounting pronouncements adopted during the six months ended June 30, 2012 had a material impact on the Company's consolidated financial statements. No new accounting pronouncements issued during the six months ended June 30, 2012 but not yet adopted are expected to have a material impact on the Company's consolidated financial statements.

(Tabular dollars in thousands, except per share amounts)

3. Acquisitions

WCP Acquisition

On January 12, 2012, the Company announced a definitive agreement to acquire certain subsidiaries of Wireless Capital Partners, LLC ("WCP"). On January 31, 2012 the Company closed the acquisition ("WCP Acquisition"). Upon closing, WCP held various contracts with wireless site owners, including approximately 2,300 ground lease related assets. The results of operations from WCP have been included in the consolidated statements of operations since the date of acquisition. The Company paid a purchase price that resulted in goodwill at CCUSA primarily because of the strategic opportunities.

The purchase price of $214.7 million includes $39.2 million of restricted cash and excludes the assumption of $336.3 million (after fair value adjustments) of debt. The Company utilized a portion of the borrowings under the senior secured term loans issued in January 2012 ("2012 Term Loans") to fund the cash consideration.

The preliminary purchase price allocation for the WCP Acquisition is based upon a preliminary valuation and the Company's estimates and assumptions, which are subject to change as the Company obtains additional information. The preliminary allocation of the total purchase price for the WCP Acquisition was primarily allocated to restricted cash, long-term prepaid rent, other intangible assets, deferred tax assets, goodwill and debt. The preliminary purchase price allocation to long-term prepaid rent was approximately $322.4 million and had a weighted-average amortization period of 38 years. See notes 4 and 5.

NextG Networks Acquisition

In December 2011, the Company entered into a definitive agreement to acquire NextG Networks, Inc. ("NextG") for approximately $1.0 billion in cash, subject to certain adjustments. On April 10, 2012, the Company closed the acquisition ("NextG Acquisition"). The results of operations from NextG have been included in the consolidated statements of operations since the date of acquisition.

Prior to the NextG Acquisition, NextG was the largest U.S. provider of outdoor DAS, a network of antennas connected by fiber to a communications hub designed to facilitate wireless communications for wireless carriers. Approximately 75% of NextG's nodes at the time of the acquisition were located in the ten largest metropolitan statistical areas in the U.S.

The Company utilized borrowings under the 2012 Term Loans to fund the cash consideration of approximately $1.0 billion.

The preliminary purchase price allocation for the NextG Acquisition is shown below. The preliminary purchase price allocation, including with respect to fixed assets, intangibles assets and certain liabilities, is based upon a preliminary valuation and the Company's estimates and assumptions, which are subject to change as the Company obtains additional information.

Preliminary Purchase Price Allocation		
Current assets	$	74,246
Property and equipment		515,984
Goodwill		682,148
Other intangible assets, net		195,000
Other assets		4,251
Current liabilities		(86,433)
Below-market tenant leases and other non-current liabilities		(330,045)
Deferred income tax liabilities		(57,433)
Net assets acquired	$	997,718

Subsequent to the closing of the NextG Acquisition, the Company finalized plans for the integration of NextG's operations and DAS into the Company's operations, including with respect to the Company's policies, procedures and systems. As a result, for the period ending June 30, 2012 the Company recognized integration costs of: (1) $3.4 million related to severance and retention bonuses payable to involuntarily terminated employees of NextG and (2) other incremental costs directly related to the integration of $3.3 million, including costs associated with temporary employees assisting with the NextG integration. These costs are classified as acquisition and integration costs in the Company's consolidated statement of operation and comprehensive income (loss).

(Tabular dollars in thousands, except per share amounts)

Unaudited Pro Forma Operating Results

The following table presents the unaudited pro forma condensed consolidated results of operations of the Company as if the NextG Acquisition was completed as of January 1, 2011 for the periods presented below. The unaudited pro forma amounts are presented for illustrative purposes only and are not necessarily indicative of future consolidated results of operations.

	Six Months Ended June 30,	
	2012	**2011**
Net revenues	$ 1,172,450	$ 1,061,257
Net income (loss)	$ 101,989	$ 57,918 (a)
Basic net income (loss) attributable to CCIC common stockholders, after deduction of dividends on preferred stock, per common share	$ 0.34	$ 0.17
Diluted net income (loss) attributable to CCIC common stockholders, after deduction of dividends on preferred stock, per common share	$ 0.34	$ 0.16

(a) Inclusive of $46.3 million in NextG stock-based compensation charges and $15.7 million in acquisition and integration costs.

The unaudited pro forma condensed consolidated results of operations include non-recurring pro forma adjustments predominately related to a $57.4 million decrease for the six months ended June 30, 2012 and a corresponding $57.4 million increase for the six months ended June 30, 2011 in income tax benefit related to the reversal of U.S. federal and state deferred income tax valuation allowances as a result of recording deferred tax liabilities.

See note 4 for discussion of goodwill and other intangible assets recognized in conjunction with the NextG Acquisition and note 6 for discussion of the income tax impact of the NextG Acquisition.

4. Goodwill and Intangible Assets

Goodwill of $682.1 million was recorded in the CCUSA segment in connection with the NextG Acquisition, none of which is expected to be deductible for tax purposes. Goodwill of $54.8 million was recorded in connection with the WCP Acquisition, of which $40.9 million is not expected to be deductible for tax purposes.

The purchase price of the NextG Acquisition resulted in the recognition of a substantial amount of goodwill based on the following:

- the acquired and in-process DAS have low average tenancy, which the Company believes provides an opportunity to co-locate additional tenants on those systems;
- the Company believes that the economics associated with DAS are similar to the economics associated with the Company's towers, whereby expected increases in revenues from additional tenants on existing DAS are expected to result in high incremental margins due to relatively fixed operating costs;
- the Company believes the demand for tenants to co-locate on DAS will be driven by the continued growth trends in the wireless communication industry as wireless carriers continue to focus on improving network quality and expanding capacity;
- the Company believes the acquired DAS are well-positioned to benefit from the anticipated growth in the wireless industry with their previously mentioned locations in the ten largest metropolitan statistical areas in the U.S.; and
- other intangibles not qualified for separate recognition, including the assembled work force.

To a lesser extent, a portion of the goodwill recognized is the result of recording the tax impact of the NextG Acquisition. See also note 6.

(Tabular dollars in thousands, except per share amounts)

The following is a summary of the Company's intangible assets.

	As of June 30, 2012			As of December 31, 2011		
	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
Site rental contracts and customer relationships	$ 3,091,480	$ (825,535)	$ 2,265,945	$ 2,823,832	$ (748,850)	$ 2,074,982
Other intangible assets	181,435	(56,088)	125,347	152,375	(49,175)	103,200
Total	$ 3,272,915	$ (881,623)	$ 2,391,292	$ 2,976,207	$ (798,025)	$ 2,178,182

The components of the additions to intangible assets during the six months ended June 30, 2012 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012		2012	
	Amount	Weighted-Average Amortization Period	Amount[(a)]	Weighted-Average Amortization Period
		(In years)		(In years)
Site rental contracts and customer relationships	$ 162,062	19.6	$ 267,564	23.5
Other intangible assets	30,000	19.0	30,573	18.9
Total	$ 192,062	19.5	$ 298,137	23.0

(a) $94.5 million related to the WCP Acquisition.

Amortization expense related to intangible assets is classified as follows on the Company's consolidated statement of operations and comprehensive income (loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
Classification	2012	2011	2012	2011
Depreciation, amortization and accretion	$ 42,353	$ 39,663	$ 82,525	$ 79,234
Site rental costs of operations	755	875	1,563	1,995
Total amortization expense	$ 43,108	$ 40,538	$ 84,088	$ 81,229

The estimated annual amortization expense related to intangible assets (inclusive of those recorded to "site rental costs of operations") for the six months ended December 31, 2012 and years ended December 31, 2013 to 2016 is as follows:

	Six Months Ended December 31,	Years Ending December 31,			
	2012	2013	2014	2015	2016
Estimated annual amortization	$ 87,277	$ 166,400	$ 164,128	$ 155,247	$ 155,247

During the six months ended June 30, 2012, the Company recorded deferred credits of $277.2 million related to below-market tenant leases as a result of the preliminary purchase price allocation for the NextG Acquisition (see note 3). The below-market tenant leases recorded during the six months ended June 30, 2012 have a weighted-average amortization period of 11 years and are amortized to site rental revenues on the consolidated statement of operations and comprehensive income (loss).

The estimated annual amounts related to below-market tenant leases expected to be amortized into site rental revenues for the six months ended December 31, 2012 and years ended December 31, 2013 to 2016 are as follows:

	Six Months Ended December 31,	Years Ending December 31,			
	2012	2013	2014	2015	2016
Estimated annual amortization	$ 13,203	$ 26,398	$ 26,361	$ 25,527	$ 24,799

(Tabular dollars in thousands, except per share amounts)

5. Debt and Other Obligations

	Original Issue Date	Contractual Maturity Date		Outstanding Balance as of June 30, 2012		Outstanding Balance as of December 31, 2011	Stated Interest Rate as of June 30, 2012(a)	
Bank debt - variable rate:								
Revolver	Jan. 2007	Sept. 2013		$ —		$ 251,000	N/A	
2012 Revolver	Jan. 2012	Jan. 2017		—	(b)	—	N/A	(c)
2007 Term Loans	Jan./March 2007	March 2014		—		619,125	N/A	
2012 Term Loans	Jan. 2012	2017/2019		2,085,750		—	3.7%	(c)
Total bank debt				2,085,750		870,125		
Securitized debt - fixed rate:								
January 2010 Tower Revenue Notes	Jan. 2010	2035 - 2040	(d)	1,900,000		1,900,000	5.8%	(d)
August 2010 Tower Revenue Notes	Aug. 2010	2035 - 2040	(d)	1,550,000		1,550,000	4.5%	(d)
2009 Securitized Notes	July 2009	2019/2029	(e)	207,478		216,431	7.0%	
WCP Securitized Notes	Nov. 2010	Nov. 2040	(f)	331,663	(f)	—	5.4%	(g)
Total securitized debt				3,989,141		3,666,431		
High yield bonds - fixed rate:								
9% Senior Notes	Jan. 2009	Jan. 2015		789,316		817,799	9.0%	(h)
7.75% Secured Notes	April 2009	May 2017		945,836		978,983	7.8%	(i)
7.125% Senior Notes	Oct. 2009	Nov. 2019		498,005		497,904	7.1%	(j)
7.5% Senior Notes	Dec. 2003	Dec. 2013		51		51	7.5%	
Total high yield bonds				2,233,208		2,294,737		
Other:								
Capital leases and other obligations	Various	Various	(k)	78,987		54,406	Various	(k)
Total debt and other obligations				8,387,086		6,885,699		
Less: current maturities and short-term debt and other current obligations				79,303		32,517		
Non-current portion of long-term debt and other long-term obligations				$ 8,307,783		$ 6,853,182		

(a) Represents the weighted-average stated interest rate.
(b) As of June 30, 2012, the undrawn availability under the $1.0 billion senior secured revolving credit facility ("2012 Revolver") is $1.0 billion.
(c) The 2012 Revolver and the Term Loan A bear interest at a per annum rate equal to LIBOR plus 2.0% to 2.75%, based on CCOC's total net leverage ratio. Term Loan B bears interest at a per annum rate equal to LIBOR plus 3.0% (with LIBOR subject to a floor of 1% per annum). The Company pays a commitment fee of 0.4% per annum on the undrawn available amount under the 2012 Revolver.
(d) If the respective series of the January 2010 Tower Revenue Notes and August 2010 Tower Revenue Notes are not paid in full on or prior to 2015, 2017 and 2020, as applicable, then Excess Cash Flow (as defined in the indenture) of the issuers (of such notes) will be used to repay principal of the applicable series and class of the 2010 Tower Revenue Notes, and additional interest (of approximately 5% per annum) will accrue on the respective 2010 Tower Revenue Notes. The January 2010 Tower Revenue Notes consist of three series of notes with principal amounts of $300.0 million, $350.0 million and $1.3 billion, having anticipated repayment dates in 2015, 2017 and 2020, respectively. The August 2010 Tower Revenue Notes consist of three series of notes with principal amounts of $250.0 million, $300.0 million and $1.0 billion, having anticipated repayment dates in 2015, 2017 and 2020, respectively.
(e) The 2009 Securitized Notes consist of $137.5 million of principal as of June 30, 2012 that amortizes through 2019, and $70.0 million of principal as of June 30, 2012 that amortizes during the period beginning in 2019 and ending in 2029.
(f) The WCP securitized notes ("WCP Securitized Notes") were assumed in connection with the WCP Acquisition. The WCP Securitized Notes include a fair value adjustment that increased the debt carrying value by $14.4 million as of June 30, 2012. The anticipated repayment date is 2015 for each class of the debt assumed in connection with the WCP Acquisition.
(g) The effective yield is approximately 4.0%, inclusive of the fair value adjustment.
(h) The effective yield is approximately 11.3%, inclusive of the discount.
(i) The effective yield is approximately 8.2%, inclusive of the discount.
(j) The effective yield is approximately 7.2%, inclusive of the discount.
(k) The Company's capital leases and other obligations bear interest rates up to 10% and mature in periods ranging from less than one year to approximately 20 years.

2012 Credit Facility

In January 2012, the Company refinanced and repaid the Revolver and 2007 Term Loans with the proceeds of a $3.1 billion senior credit facility ("2012 Credit Facility") issued by CCOC. The 2012 Credit Facility consists of (1) a $1.0 billion 2012 Revolver which will mature in January 2017, (2) a $500.0 million Term Loan A which will mature in January 2017, and (3) a $1.6 billion Term Loan B which will mature in January 2019. The Term Loan B was fully drawn at closing and the Revolver and the Term Loan A were undrawn at closing. In March 2012, the Company drew the full amount under the Term Loan A.

(Tabular dollars in thousands, except per share amounts)

The 2012 Credit Facility is secured by a pledge of certain equity interests of certain subsidiaries of CCIC, as well as a security interest in CCOC and certain of its subsidiaries' deposit accounts ($42.1 million as of June 30, 2012) and securities accounts. The 2012 Credit Facility is guaranteed by CCIC and certain of its subsidiaries.

The proceeds of the 2012 Credit Facility were used in part to repay the existing Revolver, repay the 2007 Term Loans and to fund the cash consideration of the WCP Acquisition and NextG Acquisition (see note 3). The balance of the proceeds will be available for general corporate purposes, including purchases of shares of the Company's common stock.

WCP Securitized Notes

In January 2012, the Company assumed $320.1 million face value of secured debt in connection with the WCP Acquisition. The anticipated repayment date is 2015 for each class of the WCP Securitized Notes. If the WCP Securitized Notes are not repaid in full by their anticipated repayment dates, the applicable interest rate increases by an additional approximately 5% per annum. If the WCP Securitized Notes are not repaid in full by their rapid amortization date of 2017, monthly principal payments commence using the excess cash flows of the issuers of the WCP Securitized Notes. The Company also acquired restricted cash of $29.5 million that if not spent on third party land interests by November 2012 will be required to be used to repay principal amounts outstanding on the WCP Securitized Notes. Interest and principal are paid monthly on the WCP Securitized Notes. The provisions of the WCP Securitized Notes are similar to those of our 2010 Tower Revenue Notes (see note 6 of our 2011 10-K for a discussion of the Company's 2010 Tower Revenue Notes).

Contractual Maturities

The following are the scheduled contractual maturities of the total debt and other long-term obligations outstanding at June 30, 2012. These maturities reflect contractual maturity dates and do not consider the principal payments that will commence following the anticipated repayment dates on the Tower Revenue Notes and the rapid amortization date on the WCP Securitized Notes. See above for a further discussion on the WCP Securitized Notes.

	Six Months Ended December 31,	Years Ending December 31,							
	2012	2013	2014	2015	2016	Thereafter	Total Cash Obligations	Unamortized Adjustments, Net	Total Debt and Other Obligations Outstanding
Scheduled contractual maturities	$ 38,217	$ 88,006	$ 97,805	$ 939,765	$ 112,240	$ 7,158,043	$ 8,434,076	$ (46,990)	$ 8,387,086

Retirement of Long-Term Obligations

The following is a summary of the retirement of long-term obligations during the six months ended June 30, 2012.

	Six Months Ended June 30, 2012		
	Principal Amount	Cash Paid(a)	Gains (Losses)(c)
Revolver	$ 251,000	$ 251,000	$ (1,445)
2007 Term Loans	619,125	619,125	(1,893)
9% Senior Notes	37,257	41,334	(6,517)
7.75% Secured Notes(b)	35,488	39,027	(4,731)
Total	$ 942,870	$ 950,486	$ (14,586)

(a) Exclusive of accrued interest.
(b) These debt purchases were made by CCIC rather than by the subsidiaries that issued the debt, because of restrictions upon the subsidiaries that issued the debt; as a result, the debt remains outstanding at the Company's subsidiaries.
(c) Inclusive of an aggregate $7.0 million related to the write-off of deferred financing costs and discounts.

(Tabular dollars in thousands, except per share amounts)

Interest Expense and Amortization of Deferred Financing Costs

The components of "interest expense and amortization of deferred financing costs" are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest expense on debt obligations	$ 120,625	$ 100,802	$ 233,632	$ 201,687
Amortization of deferred financing costs	5,278	3,754	10,090	7,476
Amortization of adjustments on long-term debt	2,961	3,968	6,724	7,833
Amortization of interest rate swaps	16,319	17,959	32,657	35,848
Other, net of capitalized interest	(243)	—	(691)	325
Total	$ 144,940	$ 126,483	$ 282,412	$ 253,169

6. Income Taxes

Key aspects of the accounting for income taxes for the three months ended June 30, 2012 are as follows:

- the Company recorded $50.0 million of U.S. federal and $7.4 million of state deferred tax liabilities in the NextG Acquisition in connection with the preliminary purchase price allocation;
- in conjunction with (1) recording deferred tax liabilities in the NextG Acquisition in connection with the preliminary purchase price allocation and (2) consideration of the Company's continued historical trend of positive income (during 2012, the Company will have cumulative pre-tax income for the three-year period), the Company determined that it is more likely than not that the substantial portion of the Company's remaining U.S. federal and state deferred tax assets will be realized in future years; and
- as a result of the above, the Company reversed a total of $70.1 million of federal and $20.0 million of state valuation allowances to the benefit (provision) for income taxes.

The remaining valuation allowances as of June 30, 2012 reserve assets associated principally with (1) U.S. federal capital losses ($29.4 million), (2) certain state net operating losses ($9.7 million), and (3) deferred tax assets associated with CCAL ($61.7 million).

7. Redeemable Convertible Preferred Stock

In January 2012, the Company exercised its right to convert all of the outstanding 6.25% Redeemable Convertible Preferred Stock. In February 2012, the Company issued 8.3 million shares of common stock associated with the previously outstanding 6.25% Redeemable Convertible Preferred Stock.

8. Fair Value Disclosures

		June 30, 2012		December 31, 2011	
	Level in Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	$ 96,175	$ 96,175	$ 80,120	$ 80,120
Restricted cash, current and non-current	1	284,962	284,962	257,368	257,368
Liabilities:					
Long-term debt and other obligations	2	8,387,086	9,018,076	6,885,699	7,355,652

The fair value of cash and cash equivalents and restricted cash approximate the carrying value. The Company determines fair value of its debt securities based on indicative, non-binding quotes from brokers. Quotes from brokers require judgment and are based on the brokers' interpretation of market information including implied credit spreads for similar borrowings on recent trades or bid/ask prices or quotes from active markets if available. There were no changes since December 31, 2011 in the Company's valuation techniques used to measure fair values.

9. Per Share Information

Basic net income (loss) attributable to CCIC common stockholders, after deduction of dividends on preferred stock, per common share excludes dilution and is computed by dividing net income (loss) attributable to CCIC stockholders after deduction of dividends on preferred stock, by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) attributable to CCIC common stockholders, after deduction of dividends on preferred stock, per common share is computed by dividing net income (loss) attributable to CCIC stockholders after deduction of dividends on preferred stock, by the weighted-average number of common shares outstanding during the period plus any potential dilutive common share equivalents as determined under the if-converted method. The Company's restricted stock awards are considered participating securities and may be included in the computation pursuant to the two-class method. However, the Company does not present the two-class method when there is no difference between the per share amount under the two-class method and the treasury stock method.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income (loss) attributable to CCIC stockholders	$ 116,013	$ 30,871	$ 166,044	$ 70,888
Dividends on preferred stock	—	(5,202)	(2,629)	(10,403)
Net income (loss) attributable to CCIC common stockholders after deduction of dividends on preferred stock for basic and diluted computations	$ 116,013	$ 25,669	$ 163,415	$ 60,485
Weighted-average number of common shares outstanding (in thousands):				
Basic weighted-average number of common stock outstanding	290,649	285,280	287,781	286,139
Effect of assumed dilution from potential common shares relating to stock options and restricted stock awards	554	1,746	1,248	2,076
Diluted weighted-average number of common shares outstanding	291,203	287,026	289,029	288,215
Net income (loss) attributable to CCIC common stockholders after deduction of dividends on preferred stock, per common share:				
Basic	$ 0.40	$ 0.09	$ 0.57	$ 0.21
Diluted	$ 0.40	$ 0.09	$ 0.57	$ 0.21

For the three and six months ended June 30, 2012, 1.0 million restricted stock awards were excluded from the dilutive common shares because certain stock price hurdles would not have been achieved assuming that June 30, 2012 was the end of the contingency period. See note 12.

10. Commitments and Contingencies

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs or losses that may be incurred, if any, 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.

(Tabular dollars in thousands, except per share amounts)

11. Operating Segments

The Company's reportable operating segments are (1) CCUSA, primarily consisting of the Company's U.S. operations and (2) CCAL, the Company's Australian operations. Financial results for the Company are reported to management and the board of directors in this manner.

The measurement of profit or loss currently used by management to evaluate the results of operations for the Company and its operating segments is earnings before interest, taxes, depreciation, amortization and accretion, as adjusted ("Adjusted EBITDA"). The Company defines Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, gains (losses) on retirement of long-term obligations, net gain (loss) on interest rate swaps, impairment of available-for-sale securities, interest income, other income (expense), benefit (provision) for income taxes, cumulative effect of change in accounting principle, income (loss) from discontinued operations and stock-based compensation expense. Adjusted EBITDA is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with GAAP), and the Company's measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. There are no significant revenues resulting from transactions between the Company's operating segments. Inter-company borrowings and related interest between segments are eliminated to reconcile segment results and assets to the consolidated basis.

	Three Months Ended June 30, 2012				Three Months Ended June 30, 2011			
	CCUSA	CCAL	Eliminations	Consolidated Total	CCUSA	CCAL	Eliminations	Consolidated Total
Net revenues:								
Site rental	$ 487,761	$ 29,827	$ —	$ 517,588	$ 429,454	$ 27,649	$ —	$ 457,103
Network services and other	62,049	5,874	—	67,923	40,017	3,216	—	43,233
Net revenues	549,810	35,701	—	585,511	469,471	30,865	—	500,336
Operating expenses:								
Costs of operations:(a)								
Site rental	123,063	8,508	—	131,571	112,153	8,990	—	121,143
Network services and other	36,846	3,416	—	40,262	23,576	2,330	—	25,906
General and administrative	41,541	5,537	—	47,078	36,702	4,557	—	41,259
Asset write-down charges	3,646	—	—	3,646	5,930	275	—	6,205
Acquisition and integration costs	7,469	26	—	7,495	490	—	—	490
Depreciation, amortization and accretion	144,793	7,689	—	152,482	130,488	7,703	—	138,191
Total operating expenses	357,358	25,176	—	382,534	309,339	23,855	—	333,194
Operating income (loss)	192,452	10,525	—	202,977	160,132	7,010	—	167,142
Interest expense and amortization of deferred financing costs	(144,940)	(5,000)	5,000	(144,940)	(126,484)	(5,816)	5,817	(126,483)
Gains (losses) on retirement of long-term obligations	(7,518)	—	—	(7,518)	—	—	—	—
Interest income	258	124	—	382	70	138	—	208
Other income (expense)	2,756	(5)	(5,000)	(2,249)	1,717	2	(5,817)	(4,098)
Benefit (provision) for income taxes	68,921	(489)	—	68,432	(5,184)	(571)	—	(5,755)
Net income (loss)	111,929	5,155	—	117,084	30,251	763	—	31,014
Less: Net income (loss) attributable to the noncontrolling interest	(58)	1,129	—	1,071	—	143	—	143
Net income (loss) attributable to CCIC stockholders	$ 111,987	$ 4,026	$ —	$ 116,013	$ 30,251	$ 620	$ —	$ 30,871
Capital expenditures	$ 88,687	$ 5,958		$ 94,645	$ 61,080	$ 2,960	$ —	$ 64,040
Total assets (at quarter end)	$ 12,532,201	$ 358,733	$ (293,258)	$ 12,597,676				

(a) Exclusive of depreciation, amortization and accretion shown separately.

(Tabular dollars in thousands, except per share amounts)

	Six Months Ended June 30, 2012				Six Months Ended June 30, 2011			
	CCUSA	CCAL	Eliminations	Consolidated Total	CCUSA	CCAL	Eliminations	Consolidated Total
Net revenues:								
Site rental	$ 955,880	$ 59,237	$ —	$ 1,015,117	$ 860,097	$ 53,202	$ —	$ 913,299
Network services and other	109,017	13,122	—	122,139	77,681	8,395	—	86,076
Net revenues	1,064,897	72,359	—	1,137,256	937,778	61,597	—	999,375
Operating expenses:								
Costs of operations:(a)								
Site rental	237,007	17,435	—	254,442	222,578	16,980	—	239,558
Network services and other	63,648	8,135	—	71,783	47,533	5,597	—	53,130
General and administrative	85,194	12,885	—	98,079	76,299	9,704	—	86,003
Asset write-down charges	6,679	11	—	6,690	10,287	319	—	10,606
Acquisition and integration costs	9,121	54	—	9,175	1,044	—	—	1,044
Depreciation, amortization and accretion	276,434	15,448	—	291,882	260,464	15,000	—	275,464
Total operating expenses	678,083	53,968	—	732,051	618,205	47,600	—	665,805
Operating income (loss)	386,814	18,391	—	405,205	319,573	13,997	—	333,570
Interest expense and amortization of deferred financing costs	(282,399)	(10,337)	10,324	(282,412)	(252,845)	(11,758)	11,434	(253,169)
Gains (losses) on retirement of long-term obligations	(14,586)	—	—	(14,586)	—	—	—	—
Interest income	455	281	—	736	140	239	—	379
Other income (expense)	7,043	(45)	(10,324)	(3,326)	6,730	—	(11,434)	(4,704)
Benefit (provision) for income taxes	62,747	(1,010)	—	61,737	(3,815)	(1,123)	—	(4,938)
Net income (loss)	160,074	7,280	—	167,354	69,783	1,355	—	71,138
Less: Net income (loss) attributable to the noncontrolling interest	(268)	1,578	—	1,310	—	250	—	250
Net income (loss) attributable to CCIC stockholders	$ 160,342	$ 5,702	$ —	$ 166,044	$ 69,783	$ 1,105	$ —	$ 70,888
Capital expenditures	$ 150,901	$ 8,796	$ —	$ 159,697	$ 112,326	$ 4,364	$ —	$ 116,690
Total assets (at quarter end)	$ 12,532,201	$ 358,733	$ (293,258)	$ 12,597,676				

(a) Exclusive of depreciation, amortization and accretion shown separately.

(Tabular dollars in thousands, except per share amounts)

The following are reconciliations of net income (loss) to Adjusted EBITDA for the three and six months ended June 30, 2012 and 2011.

	Three Months Ended June 30, 2012				Three Months Ended June 30, 2011			
	CCUSA	CCAL	Eliminations	Consolidated Total	CCUSA	CCAL	Eliminations	Consolidated Total
Net income (loss)	$ 111,929	$ 5,155	$ —	$ 117,084	$ 30,251	$ 763	$ —	$ 31,014
Adjustments to increase (decrease) net income (loss):								
Asset write-down charges	3,646	—	—	3,646	5,930	275	—	6,205
Acquisition and integration costs	7,469	26	—	7,495	490	—	—	490
Depreciation, amortization and accretion	144,793	7,689	—	152,482	130,488	7,703	—	138,191
Amortization of prepaid lease purchase price adjustments	3,893	—	—	3,893	—	—	—	—
Interest expense and amortization of deferred financing costs	144,940	5,000	(5,000)	144,940	126,484	5,816	(5,817)	126,483
Gains (losses) on retirement of long-term obligations	7,518	—	—	7,518	—	—	—	—
Interest income	(258)	(124)	—	(382)	(70)	(138)	—	(208)
Other income (expense)	(2,756)	5	5,000	2,249	(1,717)	(2)	5,817	4,098
Benefit (provision) for income taxes	(68,921)	489	—	(68,432)	5,184	571	—	5,755
Stock-based compensation expense	8,070	(46)		8,024	7,758	109	—	7,867
Adjusted EBITDA	$ 360,323	$ 18,194	$ —	$ 378,517	$ 304,798	$ 15,097	$ —	$ 319,895

	Six Months Ended June 30, 2012				Six Months Ended June 30, 2011			
	CCUSA	CCAL	Eliminations	Consolidated Total	CCUSA	CCAL	Eliminations	Consolidated Total
Net income (loss)	$ 160,074	$ 7,280	$ —	$ 167,354	$ 69,783	$ 1,355	$ —	$ 71,138
Adjustments to increase (decrease) net income (loss):								
Asset write-down charges	6,679	11	—	6,690	10,287	319	—	10,606
Acquisition and integration costs	9,121	54	—	9,175	1,044	—	—	1,044
Depreciation, amortization and accretion	276,434	15,448	—	291,882	260,464	15,000	—	275,464
Amortization of prepaid lease purchase price adjustments	6,443	—	—	6,443	—	—	—	—
Interest expense and amortization of deferred financing costs	282,399	10,337	(10,324)	282,412	252,845	11,758	(11,434)	253,169
Gains (losses) on retirement of long-term obligations	14,586	—	—	14,586	—	—	—	—
Interest income	(455)	(281)	—	(736)	(140)	(239)	—	(379)
Other income (expense)	(7,043)	45	10,324	3,326	(6,730)	—	11,434	4,704
Benefit (provision) for income taxes	(62,747)	1,010	—	(61,737)	3,815	1,123	—	4,938
Stock-based compensation expense	17,105	2,077	—	19,182	17,254	1,278	—	18,532
Adjusted EBITDA	$ 702,596	$ 35,981	$ —	$ 738,577	$ 608,622	$ 30,594	$ —	$ 639,216

12. Stock-Based Compensation

Restricted Stock Awards

	Number of Shares
	(In thousands of shares)
Shares outstanding at January 1, 2012	3,403
Shares granted(a)	961
Shares vested(b)	(1,953)
Shares forfeited	(45)
Shares outstanding at June 30, 2012	2,366

(a) Weighted-average grant-date fair value of $38.34 per share and a weighted-average requisite service period of 2.5 years. The awards with market conditions included an expected volatility of 31% in the Monte Carlo simulation used to measure grant-date fair value.
(b) Fair value on vesting date of $100.4 million.

During the six months ended June 30, 2012, the Company granted 0.5 million shares of restricted stock awards that time vest over a three-year period. During the six months ended June 30, 2012, the Company granted 0.5 million shares of restricted stock awards ("2012 Performance Awards") which may vest on the third anniversary of the grant date subject to a market condition based upon the Company's common stock price.

The Company recognized stock-based compensation expense related to restricted stock awards of $15.9 million for both the six months ended June 30, 2012 and 2011. The unrecognized compensation expense (net of estimated forfeitures) related to restricted stock awards as of June 30, 2012 is $43.9 million.

13. Supplemental Cash Flow Information

	Six Months Ended June 30,	
	2012	2011
Supplemental disclosure of cash flow information:		
Interest paid	$ 234,862	$ 201,541
Income taxes paid	2,556	3,543
Supplemental disclosure of non-cash financing activities:		
Assets acquired through capital leases and installment sales	11,837	13,025
Conversion of redeemable convertible preferred stock (note 7)	305,180	—

14. Subsequent Event

The following is an update to the summary of rental cash payments owed to the Company as of June 30, 2012 and includes the impact of the T-Mobile modernization agreement signed in July 2012, as well as other additions including the NextG Acquisition and WCP Acquisition.

	Years Ending December 31,						
	2012	2013	2014	2015	2016	Thereafter	Total
Tenant leases	$ 894,128	$ 1,806,638	$ 1,703,343	$ 1,710,320	$ 1,663,397	$ 11,123,235	$ 18,901,061

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

The following discussion should be read in conjunction with the response to Part I, Item 1 of this report and the consolidated financial statements of the Company including the related notes and *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"* ("MD&A") included in our 2011 Form 10-K. Capitalized terms used but not defined in this Item have the same meaning given to them in our 2011 Form 10-K. Unless this Form 10-Q indicates otherwise or the context requires, the terms "we," "our," "our company," "the company," or "us" as used in this Form 10-Q refer to Crown Castle International Corp. and its subsidiaries.

General Overview

Overview

We own, operate or lease shared wireless infrastructure, including: (1) towers, (2) distributed antenna systems ("DAS"), a type of small cell ("small cells"), and (3) third party land interests, including ground lease related assets. Our core business is renting space on our towers, small cells and third party land interests via long-term contracts in various forms. Revenues generated from our core site rental business represented 88% of our second quarter 2012 consolidated net revenues, of which 94% was attributable to our CCUSA operating segment. The vast majority of our site rental revenues is of a recurring nature and has been contracted for in a prior year. See our 2011 Form 10-K for a further discussion of our business, including our long-term strategy, growth trends in the wireless communications industry and our wireless infrastructure portfolio.

The following are certain highlights of our business fundamentals as of and for the six months ended June 30, 2012.

- Potential growth resulting from wireless network expansion and new entrants (see also the discussion below of wireless industry reports)
  - We expect wireless carriers will continue their focus on improving network quality and expanding capacity by adding additional antennas and other equipment on our wireless infrastructure.
  - We expect existing and potential new wireless carrier demand for our wireless infrastructure will result from (1) next generation technologies, (2) continued development of mobile internet applications, (3) adoption of other emerging and embedded wireless devices, (4) increasing smartphone penetration, and (5) wireless carrier focus on improving coverage and capacity.
  - Substantially all of our wireless infrastructure can accommodate another tenant, either as currently constructed or with appropriate modifications to the structure.
  - U.S. wireless carriers continue to invest in their networks.
  - We expect our site rental revenues will grow approximately 13% from full year 2011 to full year 2012, inclusive of the impacts of all of the major U.S. wireless carriers deploying network enhancements, the NextG Acquisition and the WCP Acquisition. We expect our new tenant additions will contribute in excess of 6% to the year-over-year growth in site rental revenues from full year 2011 to full year 2012. Our 2012 site rental revenue growth expectations assumes less than 1% net contribution to growth from the existing base of business (which has historically contributed approximately 2% to 4% per annum to our site rental revenue growth) as the increase attributable to lease escalations and straight-line impact of renewals is expected to be offset by the timing of expected cancellation of customer contracts due to prior wireless carrier consolidation.
- Site rental revenues under long-term customer contracts with contractual escalations
  - Initial terms of five to 15 years with multiple renewal periods at the option of the tenant of five to ten years each.
  - Weighted-average remaining term of approximately nine years, exclusive of renewals at the customer's option, representing approximately $19 billion of expected future cash inflows.
- Revenues predominately from large wireless carriers
  - Verizon Wireless, AT&T, Sprint Nextel and T-Mobile accounted for 72% of consolidated revenues.
- Majority of land interests under our towers under long-term control
  - Approximately 90% and 73% of our site rental gross margin is derived from towers that we own or control for greater than ten and 20 years, respectively. The aforementioned percentages include towers that reside on land interests that are owned in fee or where we have perpetual or long-term easements in the land and other property interests, which represent approximately 34% of our site rental gross margin.
- Relatively fixed wireless infrastructure operating costs with high incremental margins and cash flows on organic revenue growth

  - Our wireless infrastructure operating costs tend to increase at approximately the rate of inflation and are not typically influenced by new tenant additions.
  - Our incremental margin on additional site rental revenues represents 81% of the related increase in site rental revenues.
- Minimal sustaining capital expenditure requirements
  - Sustaining capital expenditures were $11.5 million, which represented less than one quarter of a percent of net revenues.
- Debt portfolio with long-dated maturities extended over multiple years, with the vast majority of such debt having a fixed rate (see *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a further discussion of our debt)
  - 75% of our debt has fixed rate coupons.
  - Our debt service coverage and leverage ratios were comfortably within their respective covenant requirements. See *"Item 2. MD&A—Liquidity and Capital Resources"* for a further discussion of our debt covenants.
- Significant cash flows from operations
  - Net cash provided by operating activities was $324.3 million.
  - We believe our site rental business can be characterized as a stable cash flow stream, which we expect to grow as a result of future demand for our wireless infrastructure.
- Capital allocated to drive long-term shareholder value (per share) (see also *"Item 2. MD&A—Liquidity and Capital Resources")*
  - Historical discretionary investments include (in no particular order): purchasing our own common stock, acquiring or constructing wireless infrastructure, acquiring land interests under our towers, improving and structurally enhancing our existing wireless infrastructure, and purchasing or redeeming our debt.
  - Discretionary investments included: (1) the acquisitions of WCP and NextG for an aggregate purchase price of approximately $1.5 billion, (2) $148.2 million in capital expenditures, (3) the purchase of 0.7 million shares of common stock for $35.7 million, and (4) the purchase of $72.7 million of face value of debt using $80.4 million.
    - In December 2011, we entered into a definitive agreement to acquire NextG for approximately $1.0 billion in cash, subject to certain adjustments.

- In January 2012, we acquired certain subsidiaries of WCP for a purchase price of $214.7 million, including $39.2 million of restricted cash and excluding the assumption of $336.3 million (after fair value adjustments) of debt. Upon closing the WCP Acquisition in January 2012, WCP held various contracts with wireless site owners, including approximately 2,300 ground lease related assets.

- In January 2012, we refinanced and repaid our credit facility and term loans with the proceeds of a $3.1 billion senior secured credit facility; the proceeds of such credit facility were also used to fund the cash consideration of the WCP Acquisition and NextG Acquisition.

The following is a discussion of certain recent events and growth trends which may impact our business and strategy or the U.S. wireless communications industry:

- Consumers have increased their use of wireless data services according to recent U.S. wireless industry reports.[a]
  - U.S. mobile data traffic grew 172% during 2011;
  - The number of smartphones in the U.S. grew 59% during 2011, reaching 128 million, and is expected to grow to 232 million by 2016;
  - Smartphones accounted for 24% of total mobile data traffic in the U.S. at the end of 2011 and are expected to account for 60% in 2016; and
  - While 4G connections represent only 0.2% of mobile connections, they account for 6% of mobile data traffic. In 2011, a 4G connection generated 28 times more mobile data traffic on average than a non-4G connection.

(a) Source: Cisco

Consolidated Results of Operations

The following discussion of our results of operations should be read in conjunction with our condensed consolidated financial statements and our 2011 Form 10-K. The following discussion of our results of operations is based on our condensed consolidated financial statements prepared in accordance with GAAP, which requires us to make estimates and judgments that affect the reported amounts (see *"Item 2. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates"* and note 2 to our consolidated financial statements on our 2011 Form 10-K).

Comparison of Consolidated Results

The following information is derived from our historical consolidated statements of operations for the periods indicated.

	Three Months Ended June 30, 2012		Three Months Ended June 30, 2011		
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Percent Change(b)
			(Dollars in thousands)		
Net revenues:					
Site rental	$ 517,588	88%	$ 457,103	91%	13%
Network services and other	67,923	12%	43,233	9%	57%
Net revenues	585,511	100%	500,336	100%	17%
Operating expenses:					
Costs of operations(a):					
Site rental	131,571	25%	121,143	27%	9%
Network services and other	40,262	59%	25,906	60%	55%
Total costs of operations	171,833	29%	147,049	29%	17%
General and administrative	47,078	8%	41,259	8%	14%
Asset write-down charges	3,646	1%	6,205	1%	*
Acquisition and integration costs	7,495	1%	490	—	*
Depreciation, amortization and accretion	152,482	26%	138,191	28%	10%
Total operating expenses	382,534	65%	333,194	67%	15%
Operating income (loss)	202,977	35%	167,142	34%	21%
Interest expense and amortization of deferred financing costs	(144,940)		(126,483)		
Gains (losses) on retirement of long-term obligations	(7,518)		—		
Interest income	382		208		
Other income (expense)	(2,249)		(4,098)		
Income (loss) before income taxes	48,652		36,769		
Benefit (provision) for income taxes	68,432		(5,755)		
Net income (loss)	117,084		31,014		
Less: Net income (loss) attributable to the noncontrolling interest	1,071		143		
Net income (loss) attributable to CCIC stockholders	$ 116,013		$ 30,871		

* Percentage is not meaningful
(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Inclusive of the impact of foreign exchange rate fluctuations. See *"Item 2. MD&A—Comparison of Operating Segments—CCAL."*

	Six Months Ended June 30, 2012		Six Months Ended June 30, 2011		
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Percent Change(b)
	(Dollars in thousands)				
Net revenues:					
Site rental	$ 1,015,117	89%	$ 913,299	91%	11%
Network services and other	122,139	11%	86,076	9%	42%
Net revenues	1,137,256	100%	999,375	100%	14%
Operating expenses:					
Costs of operations(a):					
Site rental	254,442	25%	239,558	26%	6%
Network services and other	71,783	59%	53,130	62%	35%
Total costs of operations	326,225	29%	292,688	29%	11%
General and administrative	98,079	9%	86,003	9%	14%
Asset write-down charges	6,690	1%	10,606	1%	*
Acquisition and integration costs	9,175	1%	1,044	—	*
Depreciation, amortization and accretion	291,882	26%	275,464	28%	6%
Total operating expenses	732,051	66%	665,805	67%	10%
Operating income (loss)	405,205	34%	333,570	33%	21%
Interest expense and amortization of deferred financing costs	(282,412)		(253,169)		
Gains (losses) on retirement of long-term obligations	(14,586)		—		
Interest income	736		379		
Other income (expense)	(3,326)		(4,704)		
Income (loss) before income taxes	105,617		76,076		
Benefit (provision) for income taxes	61,737		(4,938)		
Net income (loss)	167,354		71,138		
Less: Net income (loss) attributable to the noncontrolling interest	1,310		250		
Net income (loss) attributable to CCIC stockholders	$ 166,044		$ 70,888		

* Percentage is not meaningful
(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Inclusive of the impact of foreign exchange rate fluctuations. See *"Item 2. MD&A—Comparison of Operating Segments—CCAL."*

Second Quarter 2012 and 2011. Our consolidated results of operations for the second quarter of 2012 and 2011, respectively, consist predominately of our CCUSA segment, which accounted for (1) 94% and 94% of consolidated net revenues, (2) 94% and 94% of consolidated gross margins, and (3) 97% and 98% of net income (loss) attributable to CCIC stockholders. Our operating segment results, including CCUSA, are discussed below (see *"Item 2. MD&A—Comparison of Operating Segments"*).

First Half 2012 and 2011. Our consolidated results of operations for the first half of 2012 and 2011, respectively, consist predominately of our CCUSA segment, which accounted for (1) 94% and 94% of consolidated net revenues, (2) 94% and 94% of consolidated gross margins, and (3) 97% and 98% of net income (loss) attributable to CCIC stockholders. Our operating segment results, including CCUSA, are discussed below (see "Item 2. MD&A—Comparison of Operating Segments").

Comparison of Operating Segments

Our reportable operating segments for the second quarter of 2012 are (1) CCUSA, primarily consisting of our U.S. operations, and (2) CCAL, our Australian operations. Our financial results are reported to management and the board of directors in this manner.

See note 11 to our condensed consolidated financial statements for segment results, our definition of Adjusted EBITDA, and a reconciliation of net income (loss) attributable to CCIC stockholders to Adjusted EBITDA (defined below).

Our measurement of profit or loss currently used to evaluate our operating performance and operating segments is earnings before interest, taxes, depreciation, amortization and accretion, as adjusted ("Adjusted EBITDA"). Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the tower sector and other similar providers of wireless infrastructure, and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA is discussed further under *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP Financial Measures."*

We define Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, gains (losses) on retirement of long-term obligations, net gain (loss) on interest rate swaps, impairment of available-for-sale securities, interest income, other income (expense), benefit (provision) for income taxes, cumulative effect of a change in accounting principle, income (loss) from discontinued operations and stock-based compensation expense (see note 12 to our condensed consolidated financial statements). The reconciliation of Adjusted EBITDA to our net income (loss) is set forth in note 11 to our condensed consolidated financial statements. Adjusted EBITDA is not intended as an alternative measure of operating results or cash flows from operations as determined in accordance with GAAP. Adjusted EBITDA is discussed further under "*Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP Financial Measures."*

CCUSA—Second Quarter 2012 and 2011

Net revenues for the second quarter of 2012 increased by $80.3 million, or 17%, from the same period in the prior year. This increase in net revenues primarily resulted from an increase in site rental revenues of $58.3 million, or 14%, from the same period in the prior year. This increase in site rental revenues was impacted by the following items, inclusive of straight-line accounting, in no particular order: new tenant additions across our entire portfolio, renewals or extensions of customer contracts, escalations, acquisitions and cancellations of customer contracts. Tenant additions, predominately from amendments, were influenced by the previously mentioned growth in the wireless communications industry.

Site rental gross margins for the second quarter of 2012 increased by $47.4 million, or 15%, from the same period in the prior year. The increase in the site rental gross margins was related to the previously mentioned 14% increase in site rental revenues. Site rental gross margins for the second quarter of 2012 increased primarily as a result of (1) the high incremental margins associated with tenant additions given the relatively fixed costs to operate wireless infrastructure and (2) acquisitions. The $47.4 million incremental margin represents 81% of the related increase in site rental revenues.

Network services and other revenues for the second quarter of 2012 increased by $22.0 million, or 55%, and the related gross margin increased by $8.8 million, or 53%, from the same period in the prior year. The increase in our gross margin from our network services and other revenues is a reflection of carrier network enhancements such as LTE upgrades and the general volatility in the volume and mix of network services work. Our network services business is of a variable nature as these revenues are not under long-term contracts.

General and administrative expenses for the second quarter of 2012 increased by $4.8 million, or approximately 13%, from the same period in the prior year. General and administrative expenses were 8% of net revenues for both the second quarter of 2012 and 2011. General and administrative expenses are inclusive of stock-based compensation charges, as discussed further in note 12 to our condensed consolidated financial statements. The increase in general and administrative expenses was primarily related to the expansion of our small cell product offering, relating primarily to additional employees and related expenses, including with respect to the NextG Acquisition. Typically, our general and administrative expenses do not significantly increase as a result of new tenant additions on our wireless infrastructure.

Adjusted EBITDA for the second quarter of 2012 increased by $55.5 million, or 18%, from the same period in the prior year. Adjusted EBITDA was positively impacted by the growth in our site rental business, including the high incremental site rental margin on the tenant additions and growth in our service business.

Depreciation, amortization and accretion for the second quarter of 2012 increased by $14.3 million, or 11%, from the same period in the prior year. This increase predominately resulted from the fixed asset and intangible asset additions related to the NextG Acquisition.

Interest expense and amortization of deferred financing costs increased $18.5 million, or 15%, from the second quarter of 2011 to the second quarter of 2012. This increase was predominately due to the increase in debt outstanding resulting from our first quarter 2012 refinancing. The refinancing of our credit facility effectively extended the maturity of our credit facility and provided funding for the cash consideration of the WCP Acquisition and NextG Acquisition. For a further discussion of our debt, see note 6 to our consolidated financial statements in the 2011 Form 10-K.

During the second quarter of 2012, we initiated a plan to integrate the operations and DAS assets of the NextG Acquisition into our operations, including with respect to our policies, procedures and systems. We recorded $6.3 million of integration costs related to the NextG Acquisition primarily consisting of severance and retention bonuses payable to involuntarily terminated employees of NextG.

The benefit (provision) for income taxes for the second quarter of 2012 was a benefit of $68.9 million ($90.1 million valuation allowance reversal offset by $21.2 million of quarterly expense), compared to a provision of $5.2 million for the second quarter of 2011. During the second quarter of 2012, we reversed our U.S. federal and state valuation allowances resulting from (1) the NextG Acquisition and (2) our determination to reverse a portion of the valuation allowance based upon our consideration of our recent historical trends and anticipated future taxable income. During the second quarter of 2011, our provision for federal income taxes was reduced by a partial reversal of the valuation allowance on our deferred tax assets, as a result of utilizing net operating losses that previously had a full valuation allowance. For the second quarter of 2012 and 2011, the effective tax rate differs from the federal statutory rate predominately due to our federal deferred tax valuation allowance (see note 6 to our condensed consolidated financial statements). For the remainder of 2012, we expect to record a deferred tax provision at a rate of approximately 41% along with a current tax provision of approximately 3% for a total tax rate of 44%.

Net income (loss) attributable to CCIC stockholders for the second quarter of 2012 increased by $81.7 million from the second quarter of 2011. The increase in net income was predominately due to (1) growth in our site rental and services businesses, (2) the net impact of our acquisitions, (3) the reversal of our U.S. federal and state tax valuation allowances, and partially offset by (4) the increase in interest expense and amortization of deferred financing costs.

CCUSA—First Half 2012 and 2011

Net revenues for the first half of 2012 increased by $127.1 million, or 14%, from the same period in the prior year. This increase in net revenues primarily resulted from an increase in site rental revenues of $95.8 million, or 11%, for the same period. This increase in site rental revenues was impacted by the following items, inclusive of straight-line accounting, in no particular order: new tenant additions across our entire portfolio, renewals or extensions of customer contracts, escalations, acquisitions, and cancellations of our customer contracts. Tenant additions were influenced by the previously mentioned growth in the wireless communications industry.

Site rental gross margins for the first half of 2012 increased by $81.4 million, or 13%, from the same period in the prior year. The increase in the site rental gross margins was related to the previously mentioned 11% increase in site rental revenues. Site rental gross margins for the first half of 2012 increased primarily as a result of (1) the high incremental margins associated with tenant additions given the relatively fixed costs to operate a tower and (2) acquisitions. The $81.4 million incremental margin represents 85% of the related increase in site rental revenues.

Network services and other revenues for the first half of 2012 increased by $31.3 million, or 40%, and the related gross margin increased by $15.2 million, or 50% from the same period in the prior year. The increase in our network services and other gross margin is a reflection of carrier network enhancements such as LTE upgrades and the general volatility in the volume and mix of network services work. Our network services business is of a variable nature as these services are not under long-term contracts. The increase in the gross margin percentage on the network services and other revenues relates to a larger percentage of higher margin site development services as a percentage of total network services and other revenues.

General and administrative expenses for the first half of 2012 increased by $8.9 million, or 12%, from the same period in the prior year. General and administrative expenses were 8% of net revenues in the first half of 2012 and 2011. General and administrative expenses are inclusive of stock-based compensation charges as discussed further in note 12 to our condensed consolidated financial statements. The increase in general and administrative expenses was partially related to the expansion of our small cell product offering, relating primarily to additional employees and related expenses, including with respect to the NextG Acquisition. Typically, our general and administrative expenses do not significantly increase as a result of the co-location of additional tenants on our towers.

Adjusted EBITDA for the first half of 2012 increased by $94.0 million, or 15%, from the same period in the prior year. Adjusted EBITDA was positively impacted by the growth in our site rental business, including the high incremental site rental margin on the tenant additions and cost containment.

Depreciation, amortization and accretion for the first half of 2012 increased by $16.0 million, or 6%, from the same period in the prior year. This increase predominately resulted from the fixed asset and intangible asset additions related to the NextG Acquisition.

During the first half of 2012, we refinanced our credit facility through (1) a $500.0 million term loan due in 2017, (2) a $1.6 billion term loan due in 2019, and (3) a $1.0 billion revolving credit facility due in 2017. The refinancing of our credit facility effectively extended the maturity of our credit facility and provided funding for the cash consideration of the WCP Acquisition and NextG Acquisition. This refinancing and the early retirement of certain of our debt resulted in a net loss of $14.6 million during the first half of 2012. The increase in interest expense and amortization of deferred financing costs of $29.6 million, or 12%, from the first half of 2011 to the first half of 2012 predominately resulted from the increase in debt outstanding. For a further discussion of our debt, see note 6 to our consolidated financial statements in the 2011 Form 10-K.

During the first half of 2012, we initiated a plan to integrate the operations and DAS assets of the NextG Acquisition into our operations, including with respect to our policies, procedures and systems. We recorded $6.7 million of integration costs related to NextG Acquisition primarily consisting of severance and retention bonuses payable to involuntarily terminated employees of NextG.

The benefit (provision) for income taxes for the first half of 2012 was a benefit of $62.7 million ($90.1 million valuation allowance reversal offset by $27.4 million of year-to-date expense), compared to a provision of $3.8 million for the first half of 2011. During the first half of 2012, we reversed $90.1 million of our U.S. federal and state valuation allowances, resulting from (1) the NextG Acquisition and (2) our determination to reverse a portion of the valuation allowance based upon our consideration of our recent historical trends and anticipated future taxable income. During the first half of 2011, our provision for federal income taxes was reduced by a partial reversal of the valuation allowance on our deferred tax assets. For the first half of 2012 and 2011, the effective tax rate differs from the federal statutory rate predominately due to our federal deferred tax valuation allowance and the net impact of state taxes (see note 6 in our condensed consolidated financial statements). For the remainder of 2012, we expect to record a deferred tax provision at a rate of approximately 41% along with a current tax provision of approximately 3% for a total tax rate of 44%.

Net income (loss) attributable to CCIC stockholders for the first half of 2012 was income of $160.3 million. Net income (loss) attributable to CCIC stockholders for the first half of 2011 was income of $69.8 million. The increase of $90.6 million in net income was predominately due to (1) growth in our site rental business and service business, (2) the net impact of our acquisitions, and (3) the reversal of the U.S. federal and state deferred tax valuation allowances, and partially offset by (4) the increase in interest expense.

CCAL—Second Quarter 2012 and 2011

The increases and decreases between the second quarter of 2012 and the second quarter of 2011 were inclusive of exchange rate fluctuations. The average exchange rate of one Australian dollar expressed in U.S. dollars for the second quarter of 2012 was approximately 1.01, a decrease of 5% from approximately 1.06 for the same period in the prior year. See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk."*

Total net revenues for the second quarter of 2012 increased by $4.8 million, or 16%, from the same period in the prior year. Site rental revenues for the second quarter of 2012 increased by $2.2 million, or 8%, from the same period in the prior year. The decrease in the exchange rate negatively impacted net revenues and site rental revenues by approximately $1.8 million and $1.5 million, respectively, and accounted for a decrease of 6% and 6%, respectively, for the second quarter of 2012 from the same period in the prior year. Site rental revenues were also impacted by various other factors, inclusive of straight-line accounting, including, in no particular order, tenant additions on our wireless infrastructure, renewals of customer contracts, escalations and cancellations of customer contracts. Net revenues were also impacted by a $2.7 million increase in network services and other revenues primarily driven by the acquisition of a network services company.

Site rental gross margins increased by $2.7 million, or 14%, for the second quarter of 2012, from $18.7 million, for the second quarter of 2011. Adjusted EBITDA for the second quarter of 2012 increased by $3.1 million, or 21%, from the same period in the prior year. The increases in the site rental gross margin and Adjusted EBITDA were primarily due to the same factors that drove the increase in net revenues.

Net income (loss) attributable to CCIC stockholders for the second quarter of 2012 was net income of $4.0 million, compared to net income of $0.6 million for the second quarter of 2011. The increase in net income was primarily driven by the growth in the site rental business. We are continuing to evaluate the valuation allowances on our deferred tax assets at CCAL. Due to CCAL's recent history of modest taxable income (loss) ($3.6 million loss in 2010 and $9.1 million income in 2011, respectively), we may reverse a small portion of CCAL's approximately $61.7 million deferred tax valuation allowance during 2012 if CCAL continues to report income.

CCAL—First Half 2012 and 2011

The increases and decreases between the first half of 2012 and the first half of 2011 were inclusive of exchange rate fluctuations. The average exchange rate of one Australian dollar expressed in U.S. dollars for the first half of 2012 was approximately 1.03, which remained relatively consistent with the average rate of approximately 1.03 for the same period in the prior year. See "Item 3. *Quantitative and Qualitative Disclosures About Market Risk."*

Total net revenues for the first half of 2012 increased by $10.8 million, or 17%, from the same period in the prior year. Site rental revenues for the first half of 2012 increased by $6.0 million, or 11%, from the same period in the prior year. The exchange rate had an insignificant impact on net revenues and site rental revenues for the first half of 2012 from the same period in the prior year. Site rental revenues were also impacted by various other factors, inclusive of straight-line accounting, including in no particular order: tenant additions on our towers, renewals of customer contracts, escalations and cancellations of customer contracts. Net revenues were also impacted by a $4.7 million increase in network services and other revenues primarily driven by the acquisition of a network services company.

Site rental gross margins increased by $5.6 million, or 15%, for the first half of 2012, from $36.2 million for the first half of 2011. Adjusted EBITDA for the first half of 2012 increased by $5.4 million, or 18%, from the same period in the prior year. The increases in site rental gross margin and Adjusted EBITDA were primarily due to the same factors that drive the increase in net revenues.

Net income (loss) attributable to CCIC stockholders for the first half of 2012 was net income of $5.7 million, compared to net income of $1.1 million for the first half of 2011. The increase in net income was primarily driven by the previously mentioned increase in the site rental business.

Liquidity and Capital Resources

Overview

General. We believe our site rental business can be characterized as a stable cash flow stream generated by revenues under long-term contracts (see *"Item 2. MD&A—General Overview—Overview"*). Since we became a public company in 1998, our cumulative net cash provided by operating activities (net of cash interest payments) has exceeded our sustaining capital expenditures and provided us with cash available for discretionary investments. For the foreseeable future, we expect to continue to generate net cash provided by operating activities that exceeds our capital expenditures and will be available for discretionary investments. In addition to investing net cash provided by operating activities, in certain circumstances, we may also use debt financings and issuances of equity or equity related securities to fund discretionary investments.

We seek to allocate the net cash provided by our operating activities in a manner that will enhance per share operating results. Our historical discretionary investments include (in no particular order): purchasing our common stock, acquiring or constructing wireless infrastructure, acquiring land interests under our towers, improving and structurally enhancing our existing wireless infrastructure, and purchasing or redeeming our debt.

We seek to maintain a capital structure that we believe drives long-term stockholder value and optimizes our weighted-average cost of capital. We target a leverage ratio of approximately four to six times Adjusted EBITDA and interest coverage of approximately three times Adjusted EBITDA, subject to various factors such as the availability and cost of capital and the potential long-term return on our discretionary investments. We may choose to increase or decrease our leverage and coverage from these targets for periods of time.

We have never declared or paid any cash dividend on our common stock. Currently, we endeavor to utilize our net cash provided by operating activities to engage in discretionary investments. We seek to maintain flexibility in our discretionary investments with both net cash provided by operating activities and cash available from financing capacity. Periodically, our board of directors assesses the advisability of declaring and paying cash dividends at some point in the future, based on the then-current and anticipated future conditions, including our earnings, net cash provided by operating activities, capital requirements, financial condition, our relative market capitalization, taxable income, taxpayer status, and other factors deemed relevant by the board of directors.

We pay minimal cash income taxes as a result of our net operating loss carryforwards. We have $2.5 billion of federal net operating losses to offset future taxable income. We expect to utilize its federal net operating losses between now and 2016 based on current taxable income projections. We evaluate our options with respect to appropriately managing our tax position on an on-going basis. These options may include a conversion to a real estate investment trust ("REIT"), which would require the payment of dividends on our common stock. If we were to convert to a REIT, we expect that certain subsidiaries may be treated as taxable REIT subsidiaries and would continue to be subject to corporate income taxes.

Liquidity Position. The following is a summary of our capitalization and liquidity position. See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* and note 5 to our condensed consolidated financial statements for additional information regarding our debt.

	June 30, 2012
	(In thousands of dollars)
Cash and cash equivalents(a)	$ 96,175
Undrawn revolving credit facility availability(b)	1,000,000
Debt and other long-term obligations	8,387,086
Total equity	2,865,998

(a) Exclusive of restricted cash.
(b) Availability at any point in time is subject to certain restrictions based on the maintenance of financial covenants contained in our credit agreement. See *"Item 2. MD&A—Liquidity and Capital Resources—Financing Activities"* and *"Item 2. MD&A—Liquidity and Capital Resources—Debt Covenants."*

During January 2012, we refinanced and repaid our credit facility and term loans through (1) a $500.0 million term loan due in 2017, (2) a $1.6 billion term loan due in 2019, and (3) a $1.0 billion undrawn revolving credit facility due in 2017. This refinancing effectively extended the maturity of our credit facility and provided funding for the cash consideration of the WCP Acquisition and NextG Acquisition. See notes 3 and 5 to our condensed consolidated financial statements.

Over the next 12 months:

- We expect that our cash on hand, undrawn revolving credit facility availability and net cash provided by operating activities (net of cash interest payments) should be sufficient to cover our expected (1) debt service obligations of $79.3 million (principal payments) and (2) capital expenditures in excess of $375 million (sustaining and discretionary). As CCIC and CCOC are holding companies, this cash flow from operations is generated by our operating subsidiaries.
- We have no debt maturities other than principal payments on amortizing debt. We do not anticipate the need to access the capital markets to refinance our existing debt until at least 2015. See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a tabular presentation of our debt maturities as of June 30, 2012.

Summary Cash Flow Information

	Six Months Ended June 30, 2012		
	2012	2011	Change
	(In thousands of dollars)		
Net cash provided by (used for):			
Operating activities	$ 324,342	$ 283,809	$ 40,533
Investing activities	(1,357,825)	(128,236)	(1,229,589)
Financing activities	1,049,237	(160,531)	1,209,768
Effect of exchange rate changes on cash	301	543	(242)
Net increase (decrease) in cash and cash equivalents	$ 16,055	$ (4,415)	$ 20,470

Operating Activities

The increase in net cash provided by operating activities for the first half of 2012 of $40.5 million, or 14%, from first half of 2011, was primarily due to growth in our site rental business, as well as the WCP Acquisition. Changes in working capital, particularly changes in deferred site rental receivables, deferred rental revenues, prepaid ground leases, restricted cash and accrued interest, can have a significant impact on our net cash from operating activities, largely due to the timing of payments and receipts. We expect to grow our cash flow provided by operating activities in the future (exclusive of movements in working capital) if we realize expected growth in our site rental business.

Investing Activities

Capital Expenditures.

	Six Months Ended June 30, 2012		
	2012	2011	Change
	(In thousands of dollars)		
Discretionary:			
Purchases of land interests	$ 57,056	$ 52,870	$ 4,186
Wireless infrastructure improvements and other	56,251	35,520	20,731
Construction of wireless infrastructure	34,864	20,673	14,191
Sustaining	11,526	7,627	3,899
Total	$ 159,697	$ 116,690	$ 43,007

Other than sustaining capital expenditures, which we expect to be approximately $27 million to $32 million for the year ended December 31, 2012, our capital expenditures are discretionary and are made with respect to activities which we believe exhibit sufficient potential to improve our long-term results of operations on a per share basis. We expect to use in excess of $375 million of our cash flow on capital expenditures (sustaining and discretionary) for full year 2012, with less than one-fourth of our total capital expenditures targeted for our existing wireless infrastructure related to customer installations and related capacity improvement. Our decisions regarding capital expenditures are influenced by the availability and cost of capital and expected returns on alternative investments.

Wireless infrastructure improvement capital expenditures typically vary based on (1) the type of work performed on the wireless infrastructure, with initial installations typically requiring greater capital expenditures than a modification to an existing installation, (2) the existing capacity of the wireless infrastructure prior to installation, and (3) changes in structural engineering standards. Wireless infrastructure construction capital expenditures increased from the first six months of 2011 to the same period in 2012 as a result of additional DAS network builds.

Acquisitions. See notes 3, 4 and 5 to our condensed consolidated financial statements for a discussion of our acquisitions of WCP and NextG.

Financing Activities

We seek to allocate cash generated by our operations in a manner that will enhance per share operating results, which may include various financing activities such as (in no particular order) purchasing our common stock and purchasing or redeeming our debt. During the first three months of 2012, our financing activities predominately related to refinancing our credit facility, which effectively extended the maturity of our credit facility as well as provided funding for the cash consideration of the WCP Acquisition and NextG Acquisition.

Credit Facility. The proceeds of our revolving credit facility may be used for general corporate purposes, which may include the financing of capital expenditures, acquisitions and purchases of our common stock. Typically, we have used our revolving credit facility to fund discretionary investments and not for operating activities such as working capital, which are typically funded by net cash provided by operating activities. As of July 27, 2012, there were no amounts outstanding under our revolving credit facility. During the first quarter of 2012, we borrowed $2.1 billion under our term loans. The proceeds of our term loans were used to fund the cash consideration of the WCP Acquisition and NextG Acquisition. See notes 3 and 5 to our condensed consolidated financial statements for a further discussion of our credit facility and acquisitions.

Assumption of Debt. We assumed $320.1 million face value of secured debt in connection with the WCP Acquisition. The anticipated repayment date is 2015 for each class of the WCP Securitized Notes. Nearly all of the third party land interests acquired and the cash flows derived therefrom are effectively pledged as security on the outstanding debt. See note 5 to our condensed consolidated financial statements for additional information on the WCP Securitized Notes.

Debt Purchases and Repayments. See note 5 to our condensed consolidated financial statements for a summary of our debt purchases and repayments during the first quarter of 2012, including the gains (losses) on retirement of long-term obligations.

Common Stock and Preferred Stock Activity. As of June 30, 2012 and December 31, 2011, we had 293.0 million and 284.4 million common shares outstanding, respectively. During the first six months of 2012, we purchased 0.7 million shares of common stock at an average price of $51.37 per share utilizing $35.7 million in cash. During the first six months of 2012, our previously outstanding 6.25% convertible preferred stock was converted into 8.3 million shares of common stock.

Debt Covenants

We currently have no financial covenant violations, and based upon our current expectations, we believe our operating results will be sufficient to comply with our debt covenants. The following are the ratios applicable to the financial maintenance, restrictive and cash trap reserve covenants under our debt agreements. See our 2011 Form 10-K for a further discussion of our debt covenants, certain restrictive covenants and factors that are likely to determine our subsidiaries' ability to comply with current and future debt covenants.

Covenant Description	Type		Debt	Current Covenant Requirement	As of June 30, 2012	Latest Issuance Date
CCIC:						
Leverage ratio	Restrictive	(f)	9% Senior Notes	≤7.00	5.7	6.7
Leverage ratio	Restrictive	(f)	7.125% Senior Notes	≤7.00	5.7	6.3
CCOC:						
Net leverage ratio(a)	Maintenance	(g)	Credit Agreement	≤6.0	4.6	4.8
Interest coverage ratio(b)	Maintenance	(g)	Credit Agreement	≥2.5	4.1	3.9
Tower and third party land interest companies:						
Debt service coverage ratio(c)(d)	Cash Trap	(h)	2010 Tower Revenue Notes	>1.75	3.6	3.1
Debt service coverage ratio(c)(d)	Cash Trap	(h)	2009 Securitized Notes	>1.30	3.2	2.4
Fixed charge coverage ratio(c)(d)	Cash Trap	(h)	7.75% Secured Notes	>1.35	3.2	2.5
Debt service coverage ratio(e)	Cash Trap	(h)	WCP Securitized Notes	≥1.30	1.7	N/A

(a) The Total Net Leverage Ratio for CCOC is calculated as the ratio of Total Indebtedness (excluding debt held by CCIC) less Unrestricted Cash (as defined in the credit agreement and calculated in accordance with GAAP) to Consolidated EBITDA (as defined in the credit agreement) for the most recently completed quarter multiplied by four. In March 2014, the covenant requirement decreases to a maximum Total Net Leverage Ratio of 5.5 to 1.0. Consolidated EBITDA is calculated in substantially the same manner as Adjusted EBITDA used in our segment reporting, which is discussed further in *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP Financial Measures"* and note 11 to our condensed consolidated financial statements.

(b) The Consolidated Interest Coverage Ratio for CCOC is calculated as the ratio of Consolidated EBITDA for the most recently completed quarter multiplied by four to Consolidated Pro forma Debt Service (as defined in the credit agreement). Consolidated Pro forma Debt Service is calculated as interest to be paid over the succeeding 12 months on the principal balance of debt (excluding debt held by CCIC, CCOC or any restricted subsidiary) then outstanding based on the then current interest rate for such debt.

(c) The 2009 securitized notes and 2010 tower revenue notes also have amortization coverage thresholds of 1.15 and 1.45, respectively, which could result in applying current and future cash in the reserve account to prepay the debt with applicable prepayment consideration. For the 7.75% secured notes, if the Consolidated Fixed Charge Coverage Ratio is equal to or less than 1.20 and the aggregate amount of cash deposited in the Cash Trap Reserve Sub-account (as defined in the indenture) exceeds $100.0 million, the issuing subsidiaries will be required to commence an offer to purchase the 7.75% secured notes using the cash in such account. See note (e) below for a discussion of the calculation of the Debt Service Coverage Ratio and Consolidated Fixed Charge Coverage Ratio.

(d) The Debt Service Coverage Ratio and Consolidated Fixed Charge Coverage Ratio are both calculated as site rental revenue (in accordance with GAAP), less: (1) cost of operations (in accordance with GAAP), (2) straight-line rental revenues, (3) straight-line ground lease expenses, (4) management fees, and (5) sustaining capital expenditures, using the results for the previous 12 months then ended to the amount of interest to be paid over the succeeding 12 months per the terms of the respective agreement.

(e) We assumed $320.1 million face value of debt in connection with the WCP Acquisition. The Debt Service Coverage Ratio on the WCP securitized debt is calculated as Net Cash Flow (as defined in the indenture) less: (1) the Series 2010-1 Class A Targeted Amortization Amounts (as defined in the indenture) for the immediately succeeding 12 payment dates and (2) the Unpaid Series 2010-1 Class A Monthly Amortization Amount (as defined in the indenture) to the payments of interest that the issuers of such debt will be required to pay on the succeeding 12 payment dates on the principal balance of the WCP Securitized Notes plus the Indenture Trustee Fee and Servicing Fee (as defined in the indenture) payable during such 12 month period. The WCP securitized debt also has an amortization threshold of 1.15, which could result in applying all Excess Cash Flow (as defined in the indenture) to prepay principal amounts with applicable prepayment consideration. In addition, if the Non-Performing Wireless Site Contract Ratio (as defined in the indenture) on the WCP Securitized Notes is greater than 10%, it could result in applying all Excess Cash Flow to prepay principal amounts with applicable prepayment consideration.

(f) The 9% senior notes and 7.125% senior notes contain restrictive covenants with which CCIC and our restricted subsidiaries must comply, subject to a number of exceptions and qualifications, including restrictions on our ability to incur incremental debt, issue preferred stock, guarantee debt, pay dividends, repurchase our capital stock, use assets as security in other transactions, sell assets or merge with or into other companies, and make certain investments. Certain of these covenants are not applicable if there is no event of default and if the ratio of our Consolidated Debt (as defined in the senior notes indenture) to our Adjusted Consolidated Cash Flows (as defined in the senior notes indenture) is less than 7.0 to 1.0.

(g) Failure to comply with the ratios applicable to the financial maintenance could result in default under our credit agreement.

(h) Failure to comply with the cash trap reserve covenants would require the cash flows generated by the issuers and their subsidiaries to be deposited in a reserve account and not released to us.

Accounting and Reporting Matters

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are those that we believe (1) are most important to the portrayal of our financial condition and results of operations and (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The critical accounting policies and estimates are not intended to be a comprehensive list of our accounting policies and estimates. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP, with no need for management's judgment. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. Our critical accounting policies and estimates as of December 31, 2011 are described in *"Item 7. MD&A"* and in note 2 of our consolidated financial statements in our 2011 Form 10-K. The critical accounting policies and estimates for the first half of 2012 have not changed from the critical accounting policies for the year ended December 31, 2011.

Impact of Accounting Standards Issued But Not Yet Adopted and Those Adopted in 2012

No accounting pronouncements adopted during the six months ended June 30, 2012 had a material impact on our condensed consolidated financial statements. No new accounting pronouncements issued during the six months ended June 30, 2012 are expected to have a material impact on our condensed consolidated financial statements.

Non-GAAP Financial Measures

Our measurement of profit or loss currently used to evaluate the operating performance of our operating segments is earnings before interest, taxes, depreciation, amortization and accretion, as adjusted, or Adjusted EBITDA. Our definition of Adjusted EBITDA is set forth in *"Item 2. MD&A—Results of Operations— Comparison of Operating Segments."* Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the tower sector and other similar providers of wireless infrastructure, and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income or loss, net income or loss, net cash provided by (used for) operating, investing and financing activities or other income statement or cash flow statement data prepared in accordance with GAAP.

We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance because:

- it is the primary measure used by our management to evaluate the economic productivity of our operations, including the efficiency of our employees and the profitability associated with their performance, the realization of contract revenues under our long-term contracts, our ability to obtain and maintain our customers and our ability to operate our site rental business effectively;
- it is the primary measure of profit and loss used by our management for purposes of making decisions about allocating resources to, and assessing the performance of, our operating segments;
- it is similar to the measure of current financial performance generally used in our debt covenant calculations;
- although specific definitions may vary, it is widely used in the tower sector and other similar providers of wireless infrastructure to measure operating performance without regard to items such as depreciation, amortization and accretion which can vary depending upon accounting methods and the book value of assets; and
- we believe it helps investors meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors by removing the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results.

Our management uses Adjusted EBITDA:

- with respect to compliance with our debt covenants, which require us to maintain certain financial ratios including, or similar to, Adjusted EBITDA;
- as the primary measure of profit and loss for purposes of making decisions about allocating resources to, and assessing the performance of, our operating segments;
- as a performance goal in employee annual incentive compensation;
- as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results;
- in presentations to our board of directors to enable it to have the same measurement of operating performance used by management;
- for planning purposes, including preparation of our annual operating budget;

- as a valuation measure in strategic analyses in connection with the purchase and sale of assets; and
- in determining self-imposed limits on our debt levels, including the evaluation of our leverage ratio and interest coverage ratio.

There are material limitations to using a measure such as Adjusted EBITDA, including the difficulty associated with comparing results among more than one company, including our competitors, and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income or loss. Management compensates for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with their analysis of net income (loss).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following section updates *"Item 7A. Quantitative and Qualitative Disclosures About Market Risk"* in our 2011 Form 10-K and should be read in conjunction with that report as well as our condensed consolidated financial statements included in Part 1, Item 1 of this report.

Interest Rate Risk

Our interest rate risk relates primarily to the impact of interest rate movements on the following:

- the potential refinancing of our existing debt ($8.4 billion and $7.0 billion outstanding at June 30, 2012 and December 31, 2011, respectively);
- our $2.1 billion of floating rate debt representing approximately 25% of our total debt, compared to 13% of our total debt as of December 31, 2011; and
- potential future borrowings of incremental debt.

The following table provides information about our market risk related to changes in interest rates. The future principal payments and weighted-average interest rates are presented as of June 30, 2012. These debt maturities reflect contractual maturity dates and do not consider the impact of the principal payments that commence if the applicable debt is not repaid or refinanced on or prior to the anticipated repayment dates on the tower revenue notes and the WCP Securitized Notes (see footnote (c)). See note 5 to our condensed consolidated financial statements for additional information regarding our debt.

	Future Principal Payments and Interest Rates by the Debt Instruments' Contractual Year of Maturity							
	2012	2013	2014	2015	2016	Thereafter	Total	Fair Value(a)
	(Dollars in thousands)							
Debt:								
Fixed rate(c)	$ 17,717	$ 47,006	$ 47,430	$ 876,890	$ 46,240	$ 5,313,043 (c)	$ 6,348,326 (c)	$ 6,953,183
Average interest rate(b)(c)	5.7%	5.4%	5.5%	8.8%	5.5%	9.2% (c)	9.0% (c)	
Variable rate	$ 20,500	$ 41,000	$ 50,375	$ 62,875	$ 66,000	$ 1,845,000	$ 2,085,750	$ 2,064,893
Average interest rate(d)	3.2%	3.2%	3.2%	3.1%	3.1%	3.8%	3.7%	

(a) The fair value of our debt is based on indicative, non-binding quotes from brokers. Quotes from the brokers require judgment and are based on the brokers' interpretation of market information, including implied credit spreads for similar borrowings on recent trades or bid/ask offers. These fair values are not necessarily indicative of the amount which could be realized in a current market exchange.

(b) The average interest rate represents the weighted-average stated coupon rate (see footnote (c)).

(c) The impact of principal payments that commence if the applicable debt is not repaid or refinanced on or prior to the anticipated repayment dates are not considered. The anticipated repayment dates are 2015, 2017 and 2020, as applicable, for the 2010 tower revenue notes. If the tower revenue notes are not repaid in full by their anticipated repayment dates, the applicable interest rate increases by an additional approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow of the issuers of the tower revenue notes. The tower revenue notes are presented based on their contractual maturity dates between 2035 and 2040 and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow of the issuers of the tower revenue notes. The full year 2011 Excess Cash Flow of the issuers was approximately $456 million. The anticipated repayment date is 2015 for each class of the WCP Securitized Notes. If the WCP Securitized Notes are not repaid in full by their anticipated repayment dates, the applicable interest rate increases by an additional approximately 5% per annum. If the WCP Securitized Notes are not repaid in full by their rapid amortization date of 2017, monthly principal payments commence using the Excess Cash Flow of the Issuers of the WCP Securitized Notes. The WCP Securitized Notes are presented based on their contractual maturity dates in 2040. The full year 2011 Excess Cash Flow of Issuers of the WCP Securitized Notes was approximately $17 million. We acquired restricted cash of $29.5 million that if not spent on third party land interests by November 2012 will be required to be used to repay principal amounts outstanding on the WCP debt.

Foreign Currency Risk

The vast majority of our foreign currency risk is related to the Australian dollar which is the functional currency of CCAL. CCAL represented 6% of our consolidated net revenues and 5% of our operating income for the six months ended June 30, 2012. Over the past year, the Australian dollar has weakened by 4% against the U.S. dollar. Over the past five years, the Australian dollar has strengthened by 20% against the U.S. dollar. We believe the risk related to our financial instruments (exclusive of inter-company financing deemed a long-term investment) denominated in Australian dollars should not be material to our financial condition.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company conducted an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective in alerting them in a timely manner to material information relating to the Company required to be included in the Company's periodic reports under the Securities Exchange Act of 1934.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1A. RISK FACTORS

You should carefully consider the risk factors below, as well as the other information contained in this document and our 2011 Form 10-K, including additional risk factors discussed in *"Item 1A. Risk Factors"* in our 2011 Form 10-K. Based on recent activities, including the WCP Acquisition and NextG Acquisition, we have added the following risk factors.

The business model for our small cell operations contains differences from our traditional site rental business, resulting in different operational risks. If we do not successfully operate that business model or identify and manage those operational risks, such operations may produce results that are less than anticipated.

The business model for our small cell operations contains differences from our traditional site rental business, including differences relating to customer contract terms, landlord demographics, ownership of certain network assets, operational oversight requirements (including requirements for service level agreements regarding network performance and maintenance), applicable laws and initial gross margins (although long-term gross margins are expected to be similar).

In addition, our small cell operations have operational risks that are different from our traditional site rental business. For example, there can be no assurances that new customers will co-locate on our small cells or that either our existing small cell customers or our small cell landlords will renew their contracts at the same rate as our traditional site rental business. In addition, the rate at which wireless carriers adopt small cells may be lower or slower than we anticipate. Our small cell operations will also expose us to different safety or liability risks and hazards than our traditional site rental business as a result of numerous factors, including the location and nature of the assets involved. Because small cells are comparatively new technologies and are continuing to evolve, there may be other risks related to small cells of which we are not yet aware.

As a result of the NextG Acquisition in April 2012, we have significantly increased the size and scope of our small cell operations, which may exacerbate the impact of the risks described above. In addition, there can be no assurances that assets acquired in the NextG Acquisition will perform as expected by us and provide us with the benefits anticipated. Further, we may face significant challenges in combining NextG's operations in a timely and efficient manner and retaining key NextG personnel. If the NextG assets fail to perform as expected, if we are unable to successfully integrate NextG's business or if we fail to otherwise realize the anticipated benefits of the NextG Acquisition, our business, financial condition or results of operations could be adversely affected.

The expansion and development of our business, including through acquisitions, increased product offerings, and other strategic growth opportunities, may cause disruptions in our business, which may have an adverse effect on our business and financial results.

We seek to expand and develop our business, including through acquisitions, increased product offerings and other strategic growth opportunities. In the ordinary course of our business, we review, analyze and evaluate various potential transactions and other activities in which we may engage. Such transactions and activities could cause disruptions in, increase risk or otherwise negatively impact our business. Among other things, such transaction and activities may:

- disrupt our business relationships with our customers, depending on the nature of or counterparty to such transactions and activities;
- direct the time and attention of management away from other business operations toward such transactions and activities, including integrations;
- fail to achieve revenue or margin targets, operational synergies or other benefits contemplated;
- increase operational risk or volatility in our business; or
- result in current and prospective employees experiencing uncertainty about their future roles with us, which might adversely affect our ability to retain or attract key managers and other employees.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes information with respect to purchase of our equity securities during the second quarter of 2012:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
	(In thousands)			
April 1 - April 30, 2012	—	$ —	—	—
May 1 - May 31, 2012	3	53.87	—	—
June 1 - June 30, 2012	1	55.62	—	—
Total	4	$ 54.11	—	—

We paid $0.2 million in cash to effect these purchases.

ITEM 6. EXHIBITS

Exhibit No.	Description
(a) 3.1	Composite Certificate of Incorporation of Crown Castle International Corp.
(a) 3.2	Composite By-laws of Crown Castle International Corp.
(a) 4.1	Form of Indenture between Crown Castle International Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee
31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(a) Incorporated by reference to the exhibit previously filed by the Registrant on Form S-3 (Registration No. 333-180526) on April 3, 2012.

SIGNATURES

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

CROWN CASTLE INTERNATIONAL CORP.

Date: August 6, 2012	By:	/s/ Jay A. Brown
		Jay A. Brown **Senior Vice President,** **Chief Financial Officer and Treasurer** **(Principal Financial Officer)**
Date: August 6, 2012	By:	/s/ Rob A. Fisher
		Rob A. Fisher **Vice President and Controller** **(Principal Accounting Officer)**

Exhibit 31.1

Certification
For the Quarterly Period Ended June 30, 2012

I, W. Benjamin Moreland, certify that:

1. I have reviewed this report on Form 10-Q of Crown Castle International Corp. (“registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2012

/s/ W. Benjamin Moreland

W. Benjamin Moreland
President and Chief Executive Officer

Exhibit 31.2

Certification
For the Quarterly Period Ended June 30, 2012

I, Jay A. Brown, certify that:

1. I have reviewed this report on Form 10-Q of Crown Castle International Corp. ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2012

/s/ Jay A. Brown

Jay A. Brown
Senior Vice President, Chief Financial Officer
and Treasurer

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Crown Castle International Corp., a Delaware Corporation (“Company”), for the period ending June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (“Report”), each of the undersigned officers of the Company hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

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

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of June 30, 2012 (the last date of the period covered by the Report).

/s/ W. Benjamin Moreland

W. Benjamin Moreland
President and Chief Executive Officer

August 6, 2012

/s/ Jay A. Brown

Jay A. Brown
Senior Vice President, Chief Financial Officer
and Treasurer

August 6, 2012

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Crown Castle International Corp. and will be retained by Crown Castle International Corp. and furnished to the Securities and Exchange Commission or its staff upon request.