AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 11, 1998

REGISTRATION NO. 333-57283

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CROWN CASTLE INTERNATIONAL CORP.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	4899	76-0470458
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

510 BERING DRIVE
SUITE 500
HOUSTON, TEXAS 77057
(713) 570-3000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

MR. CHARLES C. GREEN, III
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER
CROWN CASTLE INTERNATIONAL CORP.
510 BERING DRIVE
SUITE 500
HOUSTON, TEXAS 77057
(713) 570-3000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

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CRAVATH, SWAINE & MOORE	LATHAM & WATKINS
825 EIGHTH AVENUE	885 THIRD AVENUE
NEW YORK, NEW YORK 10019	NEW YORK, NEW YORK 10022

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If the delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

PROSPECTUS Subject to Completion, dated August 11, 1998

31,250,000 SHARES

[LOGO OF CROWN CASTLE INTERNATIONAL CORP. APPEARS HERE]

CROWN CASTLE INTERNATIONAL CORP.
COMMON STOCK

Of the 31,250,000 shares of Common Stock, par value $.01 per share (the "Common Stock"), offered hereby, 27,500,000 shares are being sold by Crown Castle International Corp. ("CCIC" or the "Company"), and 3,750,000 shares are being sold by a stockholder of the Company. In addition, the Company and certain stockholders of the Company have granted the U.S. Underwriters an option to purchase shares of Common Stock solely to cover over-allotments, if any. See "Principal and Selling Stockholders". Of the 31,250,000 shares of Common Stock being offered, 25,000,000 shares are being offered initially in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters and 6,250,000 shares are being concurrently offered outside the United States and Canada (the "International Offering") by the International Managers (together with the U.S. Underwriters, the "Underwriters"). The U.S. Offering and the International Offering, including the application of the net proceeds therefrom, are collectively referred to as the "Offering".

Pursuant to a Share Exchange Agreement dated April 24, 1998, (i) all shareholders of Castle Transmission Services (Holdings) Ltd ("CTSH") (other than the Company, TeleDiffusion de France International S.A. ("TdF") and Digital Future Investments B.V., which is an affiliate of TdF ("DFI")) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock, par value $.01 per share (the "Class A Common Stock"), of the Company. The closing of the Offering is conditioned upon the concurrent consummation of such exchanges and certain other transactions. See "The Roll-Up".

The Company's common stock has been designated into two classes, consisting of Common Stock and Class A Common Stock. Under the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation"), with respect to matters on which the holders of the Company's common stock have the right to vote, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power of the Company, with the holders of the Common Stock and the Class A Common Stock voting together as a single class. However, certain specified actions will require the approval of the holders of a majority of the Class A Common Stock. In addition, the holders of the Class A Common Stock, voting as a separate class, will have the right to elect up to two members of the Company's Board of Directors and will not vote in the election of directors by the holders of the Company's other voting stock entitled to vote in the election of directors. See "The Roll-Up" and "Description of Capital Stock".

Prior to the Offering, there has been no public market for the Common Stock. It is currently estimated that the initial public offering price per share will be between $17.00 and $19.00. For information relating to the factors that will be considered in determining the initial public offering price, see "Underwriting". The Common Stock has been approved for listing on The Nasdaq Stock Market's National Market ("NNM") under the symbol "TWRS".

SEE "RISK FACTORS" BEGINNING ON PAGE 17 HEREIN FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)	Proceeds to Selling Stockholders
Per Share	$	$	$	$
Total(3)	$	$	$	$

(1) The Company and the Selling Stockholders have agreed to indemnify the

Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".

(2) Before deducting expenses payable by the Company estimated to be $.

(3) The Company and certain Selling Stockholders have granted the U.S. Underwriters a 30-day option to purchase up to an aggregate of 4,687,500 additional shares of Common Stock on the same terms and conditions as set forth herein, solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions, Proceeds to Company and Proceeds to Selling Stockholders will be , , and , respectively. See "Underwriting".

The shares of Common Stock offered by this Prospectus are offered by the U.S. Underwriters subject to prior sale, to withdrawal, cancellation, or modification of the offer without notice, to delivery to and acceptance by the U.S. Underwriters and to certain further conditions. It is expected that delivery of the shares will be made at the offices of Lehman Brothers Inc., New York, New York, on or about , 1998.

LEHMAN BROTHERS

CREDIT SUISSE FIRST BOSTON

GOLDMAN, SACHS & CO.

SALOMON SMITH BARNEY

, 1998

CERTAIN PERSONS PARTICIPATING IN THE OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE COMMON STOCK, INCLUDING STABILIZING BIDS, SYNDICATE COVERING TRANSACTIONS OR THE IMPOSITION OF PENALTY BIDS. FOR A DISCUSSION OF THESE ACTIVITIES, SEE "UNDERWRITING".

CTSH publishes its consolidated financial statements in pounds sterling. In this Prospectus, references to "pounds sterling", "(Pounds)", "pence" or "p" are to U.K. currency and references to "U.S. dollars", "U.S.$" or "$" are to U.S. currency. For the convenience of the reader, this Prospectus contains translations of certain pound sterling amounts into U.S. dollars at specified rates, or, if not so specified, at the noon buying rate in New York City for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on June 30, 1998, of (Pounds)1.00 = $1.6695. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rates indicated or any other rates. On July 31, 1998, the Noon Buying Rate was (Pounds)1.00 = $1.6388.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements included elsewhere in this Prospectus. Unless otherwise indicated, the information in this Prospectus assumes that the Underwriters' over-allotment option will not be exercised. Unless the context otherwise indicates, the terms "Company" and "CCIC" each refer to the business conducted by Crown Castle International Corp. and its subsidiaries (including CCI and CTI), "CCI" refers to the business conducted by the Company through Crown Communication Inc., "Crown Business" and "Crown" each refer to the business conducted by Crown Communications, Crown Network Systems, Inc., Crown Mobile Systems, Inc. and their affiliates prior to their acquisition by CCIC and "CTI" refers to the business conducted by Castle Transmission Services (Holdings) Ltd ("CTSH") and its wholly owned subsidiary, Castle Transmission International Ltd. Immediately prior to the Offering and the Exchange (as defined), each outstanding share of the Company's Existing Class A Common Stock (as defined), Existing Class B Common Stock (as defined) and Existing Preferred Stock (as defined) will be converted into or reclassified as shares of Common Stock (collectively, the "Conversions"). Unless otherwise indicated, all information in this Prospectus (i) gives effect to the Conversions, (ii) gives effect, following the Conversions, to a five-for-one stock split of the Common Stock (the "Stock Split") and (iii) gives effect to the Exchange. See "Capitalization" and "The Roll-Up".

THE COMPANY

The Company is a leading U.S. and international provider of wireless communications and broadcast transmission infrastructure and related services. The Company owns, operates and manages towers, rooftop sites and broadcast transmission networks, and provides a full range of complementary services including network design and site selection, site acquisition, site development and construction, antenna installation and network management and maintenance. The Company has 19 years of experience in the ownership, leasing and management of wireless communications sites and a 75-year history of broadcast transmission and network management. Based on its industry position and experience, the Company believes it is positioned to capitalize on global growth opportunities arising from (i) the expansion of existing networks and the introduction of new networks in the wireless communications industry, (ii) the consolidation of tower ownership generally, including the transfer of infrastructure ownership from major wireless communications carriers to independent infrastructure providers, (iii) the ongoing privatization of state-run broadcast transmission networks around the world and (iv) the widespread introduction of digital transmission technology in the broadcasting industry. For the year ended December 31, 1997 and the six months ended June 30, 1998, the Company had pro forma revenues of $180.9 million and $95.0 million, respectively.

The Company's site rental business involves leasing antenna space to customers on its owned and managed towers and rooftop sites. The Company generally receives fees for installing a customer's equipment and antennas on a tower and also receives monthly rental payments from customers under site leases that typically range in term from three to five years. The Company's major site rental customers include Aerial Communications, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, Motorola, Nextel, PageNet, Sprint PCS and TSR Wireless in the United States and Cellnet, National Transcommunications Limited, One2One, Orange Personal Communications and Vodafone in the United Kingdom.

The Company's broadcast transmission business includes both the transmission of analog and digital television and radio broadcasts and the construction of new multiple tenant broadcast towers. In the United Kingdom, the Company provides analog transmission services for two national television services, seven national radio services and 37 local radio stations through its network of 3,465 transmitters. These services are provided under long-term contracts with the British Broadcasting Corporation (the "BBC") and two national commercial radio companies. In addition, the Company has long-term contracts to provide digital transmission services to the BBC and British Digital Broadcasting Limited ("BDB"), which together are the holders of four of the six multiplexes for digital terrestrial television broadcasting throughout the United Kingdom. In the United States, the Company plans to build new multiple tenant broadcast towers in locations where additional tower capacity is required to accommodate digital transmission equipment and analog transmission equipment displaced from existing towers.

The Company has developed, maintains and deploys primarily for its own use extensive wireless communications and broadcast transmission network design and radio frequency engineering expertise, as well as site acquisition, site development and construction and antenna installation capabilities. The Company has a team of over 300 engineers with state-of-the-art wireless communications and broadcast transmission network design and radio frequency engineering expertise. The Company plans to leverage its technical expertise and operational experience to enter into build-to-suit and purchase contracts with, and to enter into joint ventures to own and operate the wireless communications infrastructure of, various wireless communications carriers around the world. The Company believes the primary criteria of such carriers in selecting a company to construct, own or operate their wireless communications infrastructure will be the company's capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes that those companies with a proven track record of providing network design and site selection, site acquisition, site development and construction and antenna installation ("end-to-end services") will be best positioned to successfully acquire access to such wireless communications infrastructure.

As of June 30, 1998, the Company owned or managed 1,244 towers and 66 revenue producing rooftop sites. In addition, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers and, in the United Kingdom, the Company had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were not available for leasing to customers. The Company's major tower footprints consist of 754 owned and managed towers located across the United Kingdom, 207 owned and managed towers located in western Pennsylvania (primarily in and around the greater Pittsburgh area), 185 owned and managed towers located in the southwestern United States (primarily in Texas), 14 owned towers located on mountaintops across Puerto Rico and 22 owned towers along I-95 in North Carolina and South Carolina. In addition, the Company is currently constructing 55 new towers on existing sites and has 38 site acquisition projects in process for sites for its own use.

The Company is actively seeking opportunities for strategic acquisitions of communications sites and transmission networks and is currently pursuing a number of potential significant acquisitions, investments and joint venture opportunities. In connection with a site marketing agreement recently entered into between the Company and BellSouth Mobility, the Company and BellSouth have agreed to explore future arrangements relating to the ownership, utilization and management of BellSouth's tower sites throughout the United States. The Company is also intending to submit a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. Similarly, the Company has bid on the tower assets, which encompass more than 250 U.S. tower sites, currently being auctioned by Vanguard Cellular. In addition to those U.S. opportunities, the Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. For example, the Company, together with Fay Richwhite & Company Limited and Berkshire Partners LLC, has submitted a bid in respect of a wireless communications network, including its tower infrastructure and radio frequency spectrum. If the bid is successful and the transaction is consummated, the Company anticipates that it would invest up to approximately $50.0 million for a substantial minority interest in the acquired business. The Company is also pursuing acquisition opportunities in connection with privatizations of state-owned networks. Any of the foregoing could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, the Company has not entered into any agreements in respect of, and believes that there are a number of competing bidders for, these opportunities. As a result, the Company does not believe that any of these acquisition opportunities have become probable. Therefore, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all. See "Risk Factors--Broad Discretion in Application of Proceeds" and "Risk Factors--Managing Integration and Growth".

INDUSTRY BACKGROUND

The Company owns, operates and manages wireless communications and broadcast transmission infrastructure, including towers and other communications sites, and also provides a full range of complementary network support services. Each of the wireless communications and broadcasting industries is currently experiencing a period of significant change.

The wireless communications industry is growing rapidly as new wireless technologies are developed and consumers become more aware of the benefits of wireless services. Wireless technologies are being used in more applications and the cost of wireless services to consumers is declining. A significant number of new competitors in the wireless communications industry have developed as additional frequency spectrum has become available for a wide range of uses, most notably Personal Communications Services ("PCS") (known as "PCN" in the United Kingdom). This competition, combined with an increasing reliance on wireless communications by consumers and businesses, has led to an increased demand for higher quality, uninterrupted service and improved coverage, which, in turn, has led to increased demand for communications sites as new carriers build out their networks and existing carriers upgrade and expand their networks to maintain their competitiveness. These trends are affecting the wireless communications industry around the world.

As the wireless communications industry has become more competitive, wireless communications carriers have sought operating and capital efficiencies by outsourcing certain network services and the build-out and operation of new and existing infrastructure and by co-locating transmission equipment with other carriers on multiple tenant towers. The need for co-location has also been driven by the growing trend by municipalities to slow the proliferation of towers. Further, the Company believes that there has been a fundamental shift in strategy among established wireless communications carriers relating to infrastructure ownership. The Company believes that in order to free up capital for the growth and management of their customer bases and expansion of their service offerings, such carriers are beginning to seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers that have the ability to manage networks. The Company believes that those infrastructure providers with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure.

The television broadcasting industry is experiencing significant change because of the impending widespread deployment of digital terrestrial television (known as "DTV" in the United States and "DTT" in the United Kingdom). In the United States, the Federal Communications Commission (the "FCC") has required affiliates of the four major networks (ABC, CBS, NBC and Fox) to commence DTV broadcasts in the top ten markets by May 1999 and in the top 30 markets by November 1999. In the United Kingdom, pursuant to the Broadcasting Act 1996, six digital television transmission multiplexes, which permit the holders to transmit digital television broadcasting services, have been allocated with digital transmission expected to commence on a commercial basis in late 1998. Australia, France, Germany, Japan, Spain and Sweden are expected to be the next countries to introduce digital terrestrial television, followed by other European nations and later by developing countries. Many countries are expected to start to establish digital services within the next five years. The shift to digital transmission will require network design, development and engineering services and the significant enhancement of existing broadcast transmission infrastructure, including new transmission and monitoring equipment and the modification, strengthening and construction of towers (including over 1,000 tall towers in the United States). In addition, state-run broadcast transmission networks are continuing to be privatized throughout the world.

The Company expects these trends to continue around the world in both the wireless communications and broadcasting industries. The Company believes that the next logical step in the outsourcing of infrastructure by wireless communications carriers and broadcasters will be the outsourcing of the operation of their towers and transmission networks, including the transmission of their signals, in much the same way as the BBC has done with its transmission network. This outsourcing will allow carriers to realize additional operating and capital efficiencies and to focus on management of their customer bases and expansion of their service offerings. Management believes that such carriers will only entrust the transmission of their signals to those infrastructure providers, such as the Company, that have the ability to manage towers and transmission networks and a proven track record of providing end-to-end services to the wireless communications and broadcasting industries.

BUSINESS STRATEGY

The Company's objective is to become the premier global provider of wireless communications and broadcast transmission infrastructure and related services. The Company's experience in establishing and expanding its existing tower footprints, its experience in owning and operating both analog and digital transmission networks, its significant relationships with wireless communications carriers and broadcasters and its ability to offer customers its in-house technical and operational expertise, uniquely position it to capitalize on global growth opportunities. The key elements of the Company's business strategy are to:

- MAXIMIZE UTILIZATION OF TOWER CAPACITY. The Company is seeking to take advantage of the substantial operating leverage of its site rental business by increasing the number of antenna leases on its owned and managed communications sites. The Company believes that many of its towers have significant capacity available for additional antenna space rental and that increased utilization of its tower capacity can be achieved at low incremental cost. For example, prior to the Company's purchase of the BBC's broadcast transmission network in 1997, the rental of available antenna capacity on the BBC's premier tower sites was not actively marketed to third parties. The Company believes there is substantial demand for such capacity. In addition, the Company believes that the extra capacity on its tower footprints in the United States and the United Kingdom will be highly desirable to new entrants into the wireless communications industry. Such carriers are able to launch service quickly and relatively inexpensively by designing the deployment of their networks based on the Company's attractive existing tower footprints. Further, the Company intends to selectively build and acquire additional towers to improve the coverage of its existing tower footprints to further increase their attractiveness. The Company intends to use targeted sales and marketing techniques to increase utilization of and investment return on its existing, newly constructed and acquired towers.

- LEVERAGE EXPERTISE OF CCI AND CTI PERSONNEL TO IMPLEMENT GLOBAL GROWTH STRATEGY. The Company is seeking to leverage the skills of its personnel in the United States and the United Kingdom. The Company believes that its ability to manage wireless communications and broadcast transmission networks, including the transmission of signals, will be an important competitive advantage in its pursuit of global growth opportunities. With its wireless communications and broadcast transmission network design and radio frequency engineering expertise, the Company is well positioned (i) to partner with major wireless communications carriers to assume ownership of their existing towers, (ii) to provide build-to-suit towers for wireless communications carriers and broadcasters and (iii) to acquire existing broadcast transmission networks that are being privatized around the world.

- PARTNER WITH WIRELESS COMMUNICATIONS CARRIERS TO ASSUME OWNERSHIP OF THEIR EXISTING TOWERS. The Company is seeking to partner with major wireless communications carriers in order to assume ownership of their existing towers directly or through joint ventures. The Company believes the primary criteria of such carriers in selecting a company to own and operate their wireless communications infrastructure will be the company's perceived capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes that those companies with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure. The Company is currently in discussions with major wireless communications carriers in the United States to form joint ventures that would own and operate their towers and believes that similar opportunities will arise globally as the wireless communications industry further expands.

- PROVIDE BUILD-TO-SUIT TOWERS FOR WIRELESS COMMUNICATIONS CARRIERS AND BROADCASTERS. As wireless communications carriers continue to expand and fill-in their service areas, they will require additional communications sites and will have to build new towers where co-location is not available. Similarly, the introduction of DTV in the United States will require the construction of new broadcast towers to accommodate new digital transmission equipment and analog transmission equipment displaced from existing towers. The Company is aggressively pursuing these build-to-suit opportunities, leveraging on its ability to offer end-to-end services. In addition, the Company intends to pursue build-to-suit opportunities through any joint venture or similar arrangement it establishes in connection with the acquisition of existing towers from wireless communications carriers.

- ACQUIRE EXISTING TRANSMISSION NETWORKS. In 1997, CTI successfully acquired the privatized domestic broadcast transmission network of the BBC. In addition, the Company is implementing the roll-out of digital television transmission services throughout the United Kingdom. As a result of this experience, the Company is well positioned to acquire other state-owned analog and digital broadcast transmission networks globally when opportunities arise. These state-owned broadcast transmission networks typically enjoy premier sites giving an acquiror the ability to offer unused antenna capacity to new and existing radio and television broadcasters and wireless communications carriers, as well as to install new technologies such as digital terrestrial transmission services. In addition, the Company's experience in broadcast transmission services allows the Company to consider, when attractive opportunities arise, acquiring wireless transmission networks as well as the acquisition of associated wireless communications infrastructure. The Company is currently pursuing a number of international acquisition and privatization opportunities.

- CAPITALIZE ON MANAGEMENT EXPERIENCE. The Company's management team has extensive experience in the tower industry and in the management of broadcast transmission networks. Many of the senior executives have worked together for an extended period, which enables them to leverage their collective strengths in a rapidly changing industry environment. In addition, management is highly motivated to produce strong operating results based on their stock ownership in the Company.

BACKGROUND

Founded in 1994, the Company acquired 127 towers located in Texas, Colorado, New Mexico, Arizona, Oklahoma and Nevada from Pittencrieff Communications, Inc. ("PCI") in 1995. The Company subsequently continued to build its business through a variety of transactions, including (i) the acquisition in 1996 of Motorola's SMR and microwave system in Puerto Rico (the "Puerto Rico System"), which included 15 communication sites (the "Puerto Rico Acquisition"), (ii) the purchase through a series of transactions in 1996 and 1997 of TEA Group Incorporated ("TEA"), a leading domestic and international site acquisition firm (the "TEA Acquisition"), and (iii) the purchase in February 1997 of a 34.3% ownership interest in CTI (the "CTI Investment").

In August 1997, the Company enhanced its tower footprints and domestic network services offering by consummating the acquisition of the assets of Crown Communications (a proprietorship owned by Robert A. and Barbara Crown), and a merger of subsidiaries of the Company with and into Crown Network Systems, Inc. ("CNSI") and Crown Mobile Systems, Inc. ("CMSI"). The acquisition of the assets of Crown Communications and the merger of subsidiaries of the Company with and into CNSI and CMSI are collectively referred to herein as the "Crown Merger". The assets acquired through the Crown Merger included 61 owned towers and exclusive rights to lease antenna space on 147 other towers and rooftop sites, most of which are located in and around the greater Pittsburgh area, giving the Company a significant presence in that market. The remaining acquired sites are located in other areas of Pennsylvania, West Virginia, Kentucky, Ohio and Delaware.

THE ROLL-UP

On April 24, 1998, the Company entered into a Share Exchange Agreement pursuant to which, concurrently with the consummation of the Offering, (i) the shareholders of CTSH (other than the Company, TdF and DFI) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company. In connection with such exchanges, the Company will exercise warrants to acquire additional shares of capital stock of CTSH and subscribe for additional shares of capital stock of CTSH. Such transactions are collectively referred to herein as the "Exchange". Upon consummation of the Exchange, the Company will own 80.0% of CTSH and TdF will own the remaining 20.0%. Immediately prior to the Exchange, (i) each share of the Company's currently outstanding Class A Common Stock, par value $.01 per share (the "Existing Class A Common Stock"), will be converted into 1.523148 shares of Common Stock, (ii) each share of the Company's currently outstanding Class B Common Stock, par value $.01 per share (the "Existing Class B Common Stock"), will be reclassified as one share of Common Stock and (iii) each share of the Company's currently outstanding Series A Convertible Preferred Stock, par value $.01 per share (the "Series A Convertible Preferred Stock"), Series B Convertible Preferred Common Stock, par value $.01 per share (the "Series B Convertible Preferred Stock"), and Series C Convertible Preferred Common Stock, par value $.01 per share (the "Series C Convertible Preferred Stock" and, together with the Series A Convertible Preferred Stock and the Series B Convertible Preferred Stock, the "Existing Preferred Stock"), will be converted into one share of Common Stock. The Exchange and the Conversions are collectively referred to herein as the "Roll-Up". See "The Roll-Up".

Upon the consummation of the Offering, after giving effect to the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which is convertible into shares of Common Stock and represents a 10.4% beneficial ownership interest in the Company's Common Stock) and DFI and TdF together will (after giving effect to the TdF Conversions (as defined)) beneficially own 25.0% of the Company's Common Stock; (ii) the Candover Group (as defined) will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group (as defined) will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group (as defined) will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties (as defined) will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".

Following the Roll-Up, TdF (whose ultimate parent is France Telecom) will have certain significant governance and other rights with respect to the Company and the CTI business. Subject to certain conditions, TdF's consent will be required for the Company or CTI to undertake certain actions, including making certain acquisitions or dispositions, entering into strategic alliances with certain parties and engaging in certain business combinations. See "Risk Factors--Risks Related to Agreements with TdF" and "The Roll-Up--Roll-Up Agreements".

In addition, subject to certain conditions, (i) during the two-year period following consummation of the Offering, TdF will have the right (the "TdF Put Right") to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio (as defined) and (ii) on the second anniversary of the consummation of the Offering, the Company will have the right (the "Company Call Right") to require TdF to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio; provided, however, that in each case TdF will retain its governance rights with respect to CTI until its ownership interest in the Company falls below 5%. See "Risk Factors--Risks Related to Agreements with TdF", "The Roll-Up--Roll-Up Agreements" and "Description of Capital Stock".

RECENT FINANCINGS

On October 31, 1997, Castle Tower Corporation ("CTC"), then a wholly owned subsidiary of CCIC, borrowed approximately $94.7 million (the "October Bank Financing") under a Loan Agreement dated April 26, 1995, as amended on June 26, 1996, January 17, 1997, April 3, 1997 and October 31, 1997 (the "Senior Credit Facility"). In addition, concurrently with the October Bank Financing, CCIC privately placed $36.5 million of senior convertible preferred stock (the "Senior Convertible Preferred Stock") and warrants to purchase shares of Common Stock of CCIC. The proceeds of the October Bank Financing and the private placement of Senior Convertible Preferred Stock were used to repay a seller note issued in connection with the Crown Merger, to repay loans outstanding under a credit agreement at Crown Communications and to pay related fees and expenses. The October Bank Financing, the private placement of the Senior Convertible Preferred Stock and the application of the proceeds therefrom are collectively referred to herein as the "October Refinancing".

On November 20, 1997, the Company privately placed (the "1997 Notes Offering") $251.0 million principal amount at maturity ($150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007 (the "Notes"). The net proceeds to the Company from the 1997 Notes Offering were used to repay substantially all outstanding indebtedness of the Company, including the approximately $94.7 million of indebtedness incurred under the Senior Credit Facility in connection with the October Refinancing, and to pay related fees and expenses with the balance being used for general corporate purposes. The October Refinancing, the 1997 Notes Offering and the application of the net proceeds from the 1997 Notes Offering, are collectively referred to herein as the "1997 Refinancing".

The Company's principal executive offices are located at 510 Bering Drive, Suite 500, Houston, Texas 77057, telephone (713) 570-3000.

CORPORATE STRUCTURE

The following chart illustrates the organizational structure of the Company after giving effect to the Roll-Up. See "Capitalization" and "The Roll-Up".

Crown Castle International Corp.
("CCIC")(a)

100% | 80% (b)

Crown
Communication Inc.
("Crown Communication")

Castle Transmission
Services (Holdings) Ltd.
("CTSH") (c)

100%

100%

Castle Transmission
International Ltd (d)

Domestic Subsidiaries

100%

Castle Transmission
(Finance) PLC

(a) After giving effect to the Offering and the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which represents a 10.4% beneficial ownership interest in the Company's Common Stock and, together with the shares of CTSH held by TdF (which, pursuant to the TdF Put Right, may be exchanged at any time for shares of the Company's Class A Common Stock), represents a 25.0% beneficial ownership interests in the Company's Common Stock); (ii) the Candover Group will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".
(b) The remaining 20% equity interest in CTSH is held by TdF. Pursuant to the TdF Put Right and Company Call Right, in certain instances TdF's shares in CTSH may be exchanged for shares of the Company's Class A Common Stock at the Exchange Ratio.
(c) CTSH has another wholly owned subsidiary, Castle Transmission (Trustees) Ltd.
(d) Castle Transmission International Ltd has another wholly owned subsidiary, Castle Transmission International Pension Trust Ltd.

THE OFFERING

Common Stock offered by the Company:	
U.S. Offering(a)	21,250,000 shares
International Offering	6,250,000 shares
Total	27,500,000 shares
Common Stock offered by the Selling Stockholders(a):	
U.S. Offering	3,750,000 shares
Common Stock to be outstanding after the Offering(b):	
Common Stock(c)	97,728,545 shares
Class A Common Stock(d)	11,340,000 shares
Voting Rights	Under the Company's Certificate of Incorporation, with respect to matters on which the holders of the Company's Common Stock have the right to vote, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power of the Company, with the holders of the Common Stock and the Class A Common Stock voting together as a single class. However, certain specified actions will require the approval of the holders of a majority of the Class A Common Stock. In addition, the holders of the Class A Common Stock, voting as a separate class, will have the right to elect up to two members of the Company's Board of Directors and will not vote in the election of directors by the holders of the Company's other voting stock entitled to vote in the election of directors. See "The Roll-Up" and "Description of Capital Stock".
Use of Proceeds	The proceeds of the Offering will be used for working capital and general corporate purposes, including (i) acquisitions, investments and joint ventures and (ii) capital expenditures associated with (a) the buildout of new infrastructure in the United Kingdom to support DTT and (b) the construction of new towers. See "Risk Factors--Broad Discretion in Application of Proceeds".
NNM Stock Symbol	"TWRS".

(Footnotes on following page)

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(a) Does not include 4,687,500 shares of Common Stock that will be offered if the Underwriters' over-allotment option is exercised in full, 797,935 of which will be offered by the Company.

(b) Does not include 797,935 shares of Common Stock issuable by the Company, and 513,030 shares of Common Stock issuable upon the exercise of stock options held by certain of the Selling Stockholders, that will be issued or exercised, as the case may be, if the Underwriters' over-allotment option is exercised in full.

(c) Does not include (i) 1,314,990 shares of Common Stock reserved for issuance upon exercise of warrants outstanding prior to the Offering, (ii) 4,257,360 shares of Common Stock reserved for issuance upon exercise of stock options previously granted pursuant to CTSH's stock option plans and agreements or (iii) 18,000,000 shares of Common Stock reserved for issuance under the Company's 1995 Stock Option Plan (including 11,924,990 shares issuable pursuant to stock options outstanding at the time of the Offering). See "Management--Directors' Compensation and Arrangements", "Management--Stock Option Plans", "Certain Relationships and Related Transactions" and "Description of Capital Stock--Senior Preferred Warrants".

(d) Upon consummation of the Roll-Up, all outstanding shares of Class A Common Stock initially will be owned by DFI.

RISK FACTORS

Prospective purchasers of the Common Stock should carefully consider the factors set forth under "Risk Factors" immediately following this Prospectus Summary, as well as the other information set forth in this Prospectus.

SUMMARY UNAUDITED PRO FORMA FINANCIAL AND OTHER DATA

The unaudited pro forma financial and other data set forth below have been derived from the Pro Forma Financial Statements (as defined) included elsewhere in this Prospectus. The pro forma statement of operations data and other data for the year ended December 31, 1997, give effect to the Transactions (as defined under "Unaudited Pro Forma Condensed Consolidated Financial Statements") as if they had occurred on January 1, 1997. The pro forma statement of operations data and other data for the six months ended June 30, 1998, give effect to the Roll-Up, the Offering and the conversion (the "Senior Preferred Conversion") of the Senior Convertible Preferred Stock into Common Stock (all of which, as of July 17, 1998, had converted), as if they had occurred on January 1, 1998. The pro forma balance sheet data give effect to the Roll-Up, the Offering and the Senior Preferred Conversion as if they had occurred on June 30, 1998. The information set forth below should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Statements", "Selected Financial and Other Data of CCIC", "Selected Financial and Other Data of Crown", "Selected Financial and Other Data of CTI", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto of CCIC, Crown and CTI included elsewhere in this Prospectus.

	YEAR ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
STATEMENT OF OPERATIONS DATA:		
Net revenues:		
Site rental and broadcast transmission	$ 126,482	$72,886
Network services and other	54,454	22,080
Total net revenues	180,936	94,966
Costs of operations:		
Site rental and broadcast transmission(a)	57,440	30,804
Network services and other	31,296	13,039
Total costs of operations	88,736	43,843
General and administrative	19,983	12,968
Corporate development(b)	3,507	4,674
Depreciation and amortization	73,006	39,572
Operating income (loss)	(4,296)	(6,091)
Other income (expense):		
Interest and other income	1,321	1,944
Interest expense and amortization of deferred financing costs	(38,308)	(20,283)
Income (loss) before income taxes and minority interests	(41,283)	(24,430)
Provision for income taxes	(50)	(209)
Minority interests	(1,320)	(685)
Net income (loss)	(42,653)	(25,324)
Dividends on Senior Convertible Preferred Stock	--	--
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock	$ (42,653)	$ (25,324)
Loss per common share--basic and diluted	$ (0.39)	$ (0.23)
Common shares outstanding--basic and diluted (in thousands)	109,168	109,179
OTHER DATA:		
Site data(c):		
Towers and revenue producing rooftop sites at end of period	1,254	1,364

	YEAR ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(DOLLARS IN THOUSANDS)	
EBITDA(e):		
Site rental and broadcast transmission..........................	$ 60,085	$ 37,730
Network services and other............	12,132	425
Corporate development expenses(b)......	(3,507)	(4,674)
Total EBITDA.........................	$ 68,710	$ 33,481
Capital expenditures....................	$ 56,468	$ 90,865
Summary cash flow information:		
Net cash provided by operating activities...........................	61,193	29,916
Net cash used for investing activities...........................	(234,299)	(89,938)
Net cash provided by financing activities...........................	242,241	58,378
Ratio of earnings to fixed charges(f)...	--	--

	AS OF JUNE 30, 1998		
	HISTORICAL CCIC	PRO FORMA FOR ROLL-UP	PRO FORMA FOR ROLL-UP AND OFFERING
	(DOLLARS IN THOUSANDS)		
BALANCE SHEET DATA:			
Cash and cash equivalents...............	$ 51,258	$ 67,063	$ 532,338
Property and equipment, net............	131,492	499,627	499,627
Total assets...........................	418,830	1,343,928	1,809,203
Total debt.............................	216,869	465,256	465,256
Redeemable preferred stock.............	164,881	72,080	-- (g)
Total stockholders' equity.............	26,721	699,261	1,236,616
OTHER DATA:			
Ratio of EBITDA to total interest expense(h)............................	0.30x	1.65x	1.65x
Ratio of total debt to EBITDA...........	36.10x	6.95x	6.95x
Ratio of net debt to EBITDA(i)..........	27.57x	5.95x	--
Towers and revenue producing rooftop sites(d).............................	556	1,364	1,364

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(a) Included in costs of operations for site rental and broadcast transmission for the six months ended June 30, 1998 are non-cash compensation charges for $1.4 million related to the issuance of stock options for 170,000 ordinary shares and 169,830,000 preference shares of CTSH to certain employees of CTI. In connection with the Roll-Up, such stock options will be converted into options for Common Stock of the Company. See "Management--Stock Option Plans--CTI Stock Option Plans".

(b) Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of allocated compensation, benefits and overhead costs that are not directly related to the administration or management of existing towers. Included in corporate development expenses for the six months ended June 30, 1998 are non-cash compensation charges for $1.8 million related to the issuance of stock options for approximately 168,000 ordinary shares and 167,832,000 preference shares of CTSH to certain executives at CTI. In connection with the Roll-Up, such stock options will be converted into options for Common Stock of the Company. See "Management--Stock Option Plans--CTI Stock Option Plans". CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to $20.2 million in 1998, recognized upon completion of the Offering, and approximately $3.0 million per year thereafter through 2003.

(c) Represents the aggregate number of sites of CCIC and its acquired businesses (including Crown) and CTI for each period.

(d) As of June 30, 1998, the Company had contracts with 1,283 buildings in the United States to manage on behalf of such buildings the leasing of space for antennas on the rooftops of such buildings. A revenue producing rooftop represents a rooftop where the Company has arranged a lease of space on such rooftop and, as such, is receiving payments in respect of its management contract. The Company generally does not receive any payment for rooftops under management unless the Company actually leases space on such rooftops to third parties. As of June 30, 1998, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing rooftops but were available for leasing to customers and, in the United Kingdom, the Company had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were not available for leasing to customers.

(e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of the Company's ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, the Company's measure of EBITDA may not be comparable to similarly titled measures of other companies.

(f) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes, minority interests and fixed charges. Fixed charges consist of interest expense, the interest component of operating leases and amortization of deferred financing costs. For the year ended December 31, 1997 and the six months ended June 30, 1998, earnings were insufficient to cover fixed charges by $41.3 million and $24.4 million, respectively.

(g) Reflects the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.

(h) Total interest expense for the six months ended June 30, 1998 includes amortization of deferred financing costs and discount of $8.5 million for CCIC and $0.4 million for CTI.

(i) Net debt represents total debt less cash and cash equivalents. As of June 30, 1998, after giving pro forma effect to the Roll-Up and the Offering, cash and cash equivalents exceeds total debt by $67.1 million.

SUMMARY FINANCIAL AND OTHER DATA OF CCIC

The summary historical consolidated financial and other data for CCIC set forth below for each of the three years in the period ended December 31, 1997, and as of December 31, 1995, 1996 and 1997, have been derived from the consolidated financial statements of CCIC, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. The summary historical consolidated financial and other data for CCIC set forth below for the six months ended June 30, 1997 and 1998, and as of June 30, 1998, have been derived from the unaudited consolidated financial statements of CCIC, which include all adjustments that the Company considers necessary for a fair presentation of the financial position and results of operations for those periods. Operating results for the six months ended June 30, 1997 and 1998 are not necessarily indicative of the results that may be expected for the entire year. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CCIC" and the consolidated financial statements and the notes thereto of CCIC included elsewhere in this Prospectus.

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1995	1996	1997	1997	1998
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
STATEMENT OF OPERATIONS DATA:					
Net revenues:					
Site rental	$ 4,052	$ 5,615	$ 11,010	$ 3,341	$ 10,448
Network services and other	6	592	20,395	3,424	12,919
Total net revenues	4,058	6,207	31,405	6,765	23,367
Costs of operations:					
Site rental	1,226	1,292	2,213	605	2,418
Network services and other	--	8	13,137	2,171	7,155
Total costs of operations	1,226	1,300	15,350	2,776	9,573
General and administrative	729	1,678	6,824	1,491	8,768
Corporate development(a)	204	1,324	5,731	3,782	2,022
Depreciation and amortization	836	1,242	6,952	930	7,695
Operating income (loss)	1,063	663	(3,452)	(2,214)	(4,691)
Other income (expense):					
Equity in earnings (losses) of unconsolidated affiliate	--	--	(1,138)	(221)	525
Interest and other income(b)	53	193	1,951	1,508	1,370
Interest expense and amortization of deferred financing costs	(1,137)	(1,803)	(9,254)	(1,196)	(10,027)
Income (loss) before income taxes	(21)	(947)	(11,893)	(2,123)	(12,823)
Provision for income taxes	--	(10)	(49)	(26)	(209)
Net income (loss)	(21)	(957)	(11,942)	(2,149)	(13,032)
Dividends on Senior Convertible Preferred Stock	--	--	(2,199)	--	(4,132)
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock	$ (21)	$ (957)	$ (14,141)	$(2,149)	$(17,164)
Loss per common share--basic and diluted	$ (0.01)	$ (0.27)	$ (2.27)	$ (0.64)	$ (1.57)
Common shares outstanding--basic and diluted (in thousands)	3,316	3,503	6,238	3,381	10,954

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1995	1996	1997	1997	1998
	(DOLLARS IN THOUSANDS)				
OTHER DATA:					
Site data (at period end)(c):					
Towers owned	126	155	240		361
Towers managed	7	7	133		129
Rooftop sites managed (revenue producing)(d)	41	52	80		66
Total sites owned and managed	174	214	453		556
EBITDA(e):					
Site rental	$ 2,697	$ 3,555	$ 7,682	$ 2,289	$ 7,215
Network services and other	(594)	(326)	1,549	209	(2,189)
Corporate development expenses(a)	(204)	(1,324)	(5,731)	(3,782)	(2,022)
Total EBITDA	$ 1,899	$ 1,905	$ 3,500	$ (1,284)	$ 3,004
Capital expenditures	$ 161	$ 890	$ 18,035	$ 918	$ 52,752
Summary cash flow information:					
Net cash provided by (used for) operating activities	1,672	(530)	(624)	396	(1,972)
Net cash used for investing activities	(16,673)	(13,916)	(111,484)	(66,494)	(52,752)
Net cash provided by financing activities	15,597	21,193	159,843	70,977	50,904
Ratio of earnings to fixed charges(f)	--	--	--	--	--
BALANCE SHEET DATA (AT PERIOD END):					
Cash and cash equivalents	$ 596	$ 7,343	$ 55,078		$ 51,258
Property and equipment, net	16,003	26,753	81,968		131,492
Total assets	19,875	41,226	371,391		418,830
Total debt	11,182	22,052	156,293		216,869
Redeemable preferred stock(g)	5,175	15,550	160,749		164,881
Total stockholders' equity (deficit)	619	(210)	41,792		26,721

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(a) Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of allocated compensation, benefits and overhead costs that are not directly related to the administration or management of existing towers. For the year ended December 31, 1997, includes (i) nonrecurring cash bonuses of $0.9 million paid to certain executive officers in connection with the CTI Investment and (ii) a nonrecurring cash charge of $1.3 million related to the purchase by CCIC of shares of Common Stock from CCIC's former chief executive officer in connection with the CTI Investment. See "Certain Relationships and Related Transactions". CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to $20.2 million in 1998, recognized upon completion of the Offering, and approximately $3.0 million per year thereafter through 2003.

(b) Includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI in connection with the CTI Investment.

(c) Represents the aggregate number of sites of CCIC as of the end of each period.

(d) As of June 30, 1998, CCIC had contracts with 1,283 buildings to manage on behalf of such buildings the leasing of space for antennas on the rooftops of such buildings. A revenue producing rooftop represents a rooftop where CCIC has arranged a lease of space on such rooftop and, as such, is receiving payments in respect of its management contract. CCIC generally does not receive any payment for rooftops under management unless CCIC actually leases space on such rooftops to third parties. As of June 30, 1998, CCIC had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers.

(e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CCIC's ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, CCIC's measure of EBITDA may not be comparable to similarly titled measures of other companies.

(f) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes, fixed charges and equity in earnings (losses) of unconsolidated affiliate. Fixed charges consist of interest expense, the interest component of operating leases and amortization of deferred financing costs. For the years ended December 31, 1995, 1996 and 1997 and the six months ended June 30, 1997 and 1998, earnings were insufficient to cover fixed charges by $21,000, $0.9 million, $10.8 million, $1.9 million and $13.3 million, respectively.

(g) Represents (i) the Senior Convertible Preferred Stock privately placed by CCIC in August 1997 and October 1997, all of which has been converted into shares of Common Stock, and (ii) the Series A Convertible Preferred Stock, the Series B Convertible Preferred Stock and the Series C Convertible Preferred Stock privately placed by CCIC in April 1995, July 1996 and February 1997, respectively, all of which will be converted into shares of Common Stock in connection with the consummation of the Offering.

SUMMARY FINANCIAL AND OTHER DATA OF CTI

The summary historical financial data for CTI, which was 34.3% owned by CCIC prior to the Roll-Up, presents (i) summary historical financial data of the BBC Home Service Transmission Business prior to its acquisition by CTI (the "Predecessor") for the year ended March 31, 1996 and the eleven and two months ended February 27, 1997, (ii) summary historical consolidated financial data of CTI after such acquisition for the one month ended March 31, 1997, for the three months ended June 30, 1997 and for the nine months ended December 31, 1997, and (iii) summary historical consolidated financial data of CTI as of and for the six months ended June 30, 1998. The summary historical financial data for the year ended March 31, 1996 and the eleven months ended February 27, 1997 have been derived from the financial statements of the Predecessor, which have been audited by KPMG, Chartered Accountants. The summary financial data for the one month ended March 31, 1997 and the nine months ended December 31, 1997 have been derived from the consolidated financial statements of CTI, which have been audited by KPMG, Chartered Accountants. The summary historical financial data for the two months ended February 27, 1997 have been derived from the unaudited financial statements of the Predecessor, and the summary historical financial data for the three months ended June 30, 1997 and as of and for the six months ended June 30, 1998 have been derived from the unaudited consolidated financial statements of CTI, which include all adjustments that CTI considers necessary for a fair presentation of the financial position and results of operations for that period. The results of operations for the one month ended March 31, 1997, the three months ended June 30, 1997, the nine months ended December 31, 1997 and the six months ended June 30, 1998 are not necessarily indicative of the results of operations of CTI that may be expected for the entire year. This information reflects financial data for CTI as a whole, is not limited to that portion of the financial data attributable to CCIC's percentage ownership of CTI prior to the Roll-Up and is not indicative of any distributions or dividends that CCIC might receive in the future. CTI is subject to significant restrictions on its ability to make dividends and distributions to CCIC. See "Risk Factors--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends". The information set forth below should be read in conjunction with "Selected Financial and Other Data of CTI", "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CTI" and the consolidated financial statements and the notes thereto of CTI included elsewhere in this Prospectus.

	PREDECESSOR COMPANY			CTI			
	YEAR ENDED MARCH 31, 1996	ELEVEN MONTHS ENDED FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	ONE MONTH ENDED MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	NINE MONTHS ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(POUNDS STERLING IN THOUSANDS)						
STATEMENT OF OPERATIONS DATA (under U.S. GAAP):							
Net revenues:							
Site rental and broadcast transmission....	(Pounds)61,694	(Pounds)65,183	(Pounds)11,761	(Pounds)5,510	(Pounds)16,547	(Pounds)50,438	(Pounds)37,846
Network services and other.......	8,673	5,431	1,044	923	2,064	6,314	5,670
Total net revenues.......	70,367	70,614	12,805	6,433	18,611	56,752	43,516
Costs of operations:							
Site rental and broadcast transmission(b)..	34,577	36,200	5,851	2,483	8,283	24,516	17,205
Network services and other.......	5,472	3,335	745	391	669	2,520	3,564
Total costs of operations.....	40,049	39,535	6,596	2,874	8,952	27,036	20,769
General and administrative...	9,698	4,039	1,048	495	1,357	4,021	2,666
Corporate development(c)...	--	--	--	--	--	--	1,610
Depreciation and amortization.....	9,128	9,045	1,738	1,819	5,533	16,854	11,688
Operating income..	11,492	17,995	3,423	1,245	2,769	8,841	6,783
Other income (expense):							
Interest and other income....	--	--	--	49	119	288	348
Interest expense and amortization of deferred financing							

costs...........	--	--	--	(891)	(5,179)	(11,618)	(6,217)
Income (loss) before income taxes............	11,492	17,995	3,423	403	(2,291)	(2,489)	914
Provision for income taxes.....	--	--	--	--	--	--	--
Net income (loss)...........	(Pounds)11,492	(Pounds)17,995	(Pounds) 3,423	(Pounds) 403	(Pounds)(2,291)	(Pounds)(2,489)	(Pounds) 914

	CTI		
	ONE MONTH ENDED MARCH 31, 1997(A)	NINE MONTHS ENDED DECEMBER 31, 1997(A)	SIX MONTHS ENDED JUNE 30, 1998(A)
	(DOLLARS IN THOUSANDS)		
STATEMENT OF OPERATIONS DATA (under U.S. GAAP):			
Net revenues:			
Site rental and broadcast transmission....	$ 9,199	$ 84,206	$ 63,184
Network services and other.......	1,541	10,540	9,466
Total net revenues.......	10,740	94,746	72,650
Costs of operations:			
Site rental and broadcast transmission(b)..	4,145	40,929	28,724
Network services and other.......	653	4,207	5,950
Total costs of operations.....	4,798	45,136	34,674
General and administrative...	826	6,723	4,451
Corporate development(c)...	--	--	2,688
Depreciation and amortization.....	3,037	28,188	19,513
Operating income..	2,079	14,699	11,324
Other income (expense):			
Interest and other income....	82	481	581
Interest expense and amortization of deferred financing costs...........	(1,488)	(19,395)	(10,379)
Income (loss) before income taxes............	673	(4,215)	1,526
Provision for income taxes.....	--	--	--
Net income (loss)...........	$ 673	$ (4,215)	$ 1,526

	PREDECESSOR COMPANY			CTI			
	YEAR ENDED MARCH 31, 1996	ELEVEN MONTHS ENDED FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	ONE MONTH ENDED MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	NINE MONTHS ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(POUNDS STERLING IN THOUSANDS)						
OTHER DATA (under U.S. GAAP):							
Site data(d):							
Towers and revenue producing rooftop sites at end of period...							
EBITDA(e):							
Site rental and broadcast transmission....	(Pounds)19,359	(Pounds)25,752	(Pounds)4,941	(Pounds)2,574	(Pounds)7,103	(Pounds)22,428	(Pounds)18,377
Network services and other.......	1,261	1,288	220	490	1,199	3,267	1,704
Corporate development expenses(c).....	--	--	--	--	--	--	(1,610)
Total EBITDA....	(Pounds)20,620	(Pounds)27,040	(Pounds)5,161	(Pounds)3,064	(Pounds)8,302	(Pounds)25,695	(Pounds)18,471
Capital expenditures.....	(Pounds)18,079	(Pounds)21,810	(Pounds) 711	(Pounds) 748	(Pounds)3,906	(Pounds)14,361	(Pounds)23,083
Summary cash flow information:							
Net cash provided by operating activities......	24,311	28,146	5,161	4,871	7,169	25,555	19,294
Net cash used for investing activities......	(17,190)	(21,811)	(711)	(52,889)	(4,114)	(14,668)	(22,522)
Net cash provided by (used for) financing activities......	(7,121)	(6,335)	(4,450)	57,706	(6,792)	(12,423)	4,543

	CTI		
	ONE MONTH ENDED MARCH 31, 1997(A)	NINE MONTHS ENDED DECEMBER 31, 1997(A)	SIX MONTHS ENDED JUNE 30, 1998(A)
	(DOLLARS IN THOUSANDS)		
OTHER DATA (under U.S. GAAP):			
Site data(d):			
Towers and revenue producing rooftop sites at end of period...		801	808
EBITDA(e):			
Site rental and broadcast transmission....	$ 4,298	$37,444	$30,680
Network services and other.......	818	5,443	2,845
Corporate development expenses(c).....	--	--	(2,688)
Total EBITDA....	$ 5,116	$42,887	$30,837
Capital expenditures.....	$ 1,249	$23,976	$38,537
Summary cash flow information:			
Net cash provided by operating activities......	8,132	42,664	32,211
Net cash used for investing activities......	(88,298)	(24,488)	(37,600)
Net cash provided by (used for) financing activities......	96,340	(20,740)	7,585

	AS OF JUNE 30, 1998 (POUNDS STERLING IN THOUSANDS)	AS OF JUNE 30, 1998 (DOLLARS IN THOUSANDS)
BALANCE SHEET DATA (under U.S. GAAP):		
Cash and cash equivalents............	(Pounds)9,467	$ 15,805
Property and equipment, net..........	220,506	368,135
Total assets.........................	288,348	481,397
Total debt...........................	148,779	248,387
Redeemable preference shares.........	107,949	180,221
Ordinary shareholders' equity (deficit)...........................	(4,288)	(7,159)

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(a) CTI publishes its consolidated financial statements in pounds sterling. For the convenience of the reader, the information set forth above contains translations of pound sterling amounts into U.S. dollars at the Noon Buying Rate on June 30, 1998, of (Pounds)1.00 = $1.6695. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rate indicated or any other rates. On July 31, 1998, the Noon Buying Rate was (Pounds)1.00 = $1.6388.

(b) Included in costs of operations for site rental and broadcast transmission for the six months ended June 30, 1998 are non-cash compensation charges for (Pounds)0.8 million ($1.4 million) related to the issuance of stock options to certain executives and employees.

(c) Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of allocated compensation, benefits and overhead costs that are not directly related to the administration or management of existing towers. Included in corporate development expenses for the six months ended June 30, 1998 are non-cash compensation charges for (Pounds)1.1 million ($1.8 million) related to the issuance of stock options to certain executives at CTI.

(d) As of June 30, 1998, CTI's 54 revenue producing rooftop sites were occupied by its transmitters but were not available for leasing to customers.

(e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CTI's ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, CTI's measure of EBITDA may not be comparable to similarly titled measures of other companies.

RISK FACTORS

Prospective investors should consider carefully the risk factors set forth below, as well as the other information appearing in this Prospectus, before making any investment in the Common Stock.

MANAGING INTEGRATION AND GROWTH

The Company's ability to implement its growth strategy depends, in part, on its successes in integrating its acquisitions, investments, joint ventures and strategic alliances into the Company's operations. The Company has grown significantly over the past 18 months through acquisitions. The Crown Merger in August 1997 was significantly larger than the Company's previous acquisitions and represented a substantial increase in the scope of the Company's business. Crown's revenues for fiscal 1996 were $19.4 million. In contrast, CCIC's revenues for fiscal 1996 were $6.2 million. Similarly, the Roll-Up will result in the Company having majority ownership of CTI, which had consolidated revenues in the twelve months ended December 31, 1997 of (Pounds)76.0 million ($124.5 million). Successful integration of these transactions will depend primarily on the Company's ability to manage their combined operations and to integrate their existing management with and into CCIC's management. There can be no assurance that the Company can successfully integrate these acquired businesses or any future acquisitions into its business or implement its plans without delay and any failure or any inability to do so may have a material adverse effect on the Company's financial condition and results of operations.

Implementation of the Company's acquisition strategy may impose significant strains on the Company's management, operating systems and financial resources. Failure by the Company to manage its growth or unexpected difficulties encountered during expansion could have a material adverse effect on the Company's financial condition and results of operations. The pursuit and integration of acquisitions, investments, joint ventures and strategic alliances will require substantial attention from the Company's senior management, which will limit the amount of time available to devote to the Company's existing operations. Future acquisitions by the Company could result in the incurrence of substantial amounts of debt and contingent liabilities and an increase in amortization expenses related to goodwill and other intangible assets, which could have a material adverse effect upon the Company's financial condition and results of operations.

SUBSTANTIAL LEVERAGE; RESTRICTIONS IMPOSED BY THE TERMS OF THE COMPANY'S INDEBTEDNESS

The Company is highly leveraged. As of June 30, 1998, after giving pro forma effect to the Roll-Up, the Offering and the Senior Preferred Conversion, the Company had total consolidated indebtedness of approximately $465.3 million and total consolidated stockholders' equity of approximately $1,236.6 million. Also, after giving pro forma effect to the Roll-Up, the Company's earnings would have been insufficient to cover fixed charges by $41.3 million for fiscal 1997. CCIC and its subsidiaries will be permitted to incur additional indebtedness in the future. See "Capitalization", "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness".

The degree to which the Company is leveraged could have significant adverse consequences to the Company, including, but not limited to: (i) increasing the Company's vulnerability to general adverse economic and industry conditions, (ii) limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements, (iii) requiring the dedication of a substantial portion of the Company's cash flow from operations to the payment of principal of, and interest on, its indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures or other general corporate purposes, (iv) limiting the Company's flexibility in planning for, or reacting to, changes in its business and the industry and (v) placing the Company at a competitive disadvantage vis-a-vis less leveraged competitors. See "Capitalization", "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness".

The Company's ability to meet its debt service or to fund planned capital expenditures, will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. The Company's business strategy contemplates substantial capital expenditures in connection with the expansion of its tower footprints. Based on the Company's current operations and anticipated revenue growth, management believes that cash flow from operations and available cash, together with the net proceeds of the Offering and available borrowings under the Senior Credit Facility and CTI Credit Facility (as defined), will be sufficient to fund the Company's anticipated capital expenditures for the foreseeable future. However, in the event the Company consummates any significant acquisitions, including any of the significant acquisitions that the Company is currently pursuing, or exceeds its currently anticipated capital expenditures, the Company anticipates that it will need to seek additional equity or debt financing to fund its business plan. Failure to obtain any such financing could require the Company to significantly reduce its planned capital expenditures and forego these acquisition opportunities and could have a material adverse effect on the Company's ability to achieve its business strategy. In addition, the Company may need to refinance all or a portion of its indebtedness on or prior to its scheduled maturity. There can be no assurance that the Company will generate sufficient cash flow from operations in the future, that anticipated revenue growth will be realized or that future borrowings, equity contributions or loans from affiliates will be available in an amount sufficient to service its indebtedness and make anticipated capital expenditures. In addition, there can be no assurance that the Company will be able to effect any required refinancings of its indebtedness on commercially reasonable terms or at all. See "--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The terms of the Company's debt instruments contain numerous restrictive covenants, including but not limited to covenants that restrict the ability of the Company and its subsidiaries to incur indebtedness, pay dividends, create liens, sell assets and engage in certain mergers and acquisitions. In addition, some of such indebtedness requires certain of the Company's subsidiaries to maintain certain financial ratios. The ability of the Company to comply with the covenants and other terms of its indebtedness and to satisfy its respective debt obligations will depend on the future operating performance of the Company. In the event the Company fails to comply with the various covenants contained in its debt instruments, it would be in default thereunder, and in certain of such cases, the maturity of substantially all of its long-term indebtedness could be accelerated. See "Description of Certain Indebtedness".

RISKS RELATED TO AGREEMENTS WITH TDF

In connection with the Roll-Up, the Company has entered into certain agreements with TdF that grant TdF certain significant protective rights with respect to the governance of the Company and CTI, the ownership of CTI and the disposition of its shares in the Company and CTI. See "The Roll-Up".

Governance Rights. The Company has granted to TdF certain rights with respect to the governance of the Company, including (i) the ability to prohibit the Company from entering into certain material transactions, (ii) the issuance to TdF of shares of Class A Common Stock, which gives TdF the right to elect up to two of the twelve members of the Company's Board of Directors, and (iii) subject to certain conditions, the inclusion on each of the executive committee, the nominating and corporate governance committee of the Company's Board of Directors of at least one director elected by TdF. In addition to its governance rights with respect to the Company, TdF has significant governance rights with respect to CTI which, after giving pro forma effect to the Roll-Up, would have accounted for approximately 68.8% of the Company's revenues in 1997. Following consummation of the Roll-Up, although TdF will hold only a 20% equity interest in CTI, TdF's rights with respect to CTI will be generally characteristic of the rights of a 50% partner to a joint venture.

While TdF's rights with respect to the governance of the Company and CTI are subject to certain limitations and forfeiture by TdF in certain circumstances, during the period in which such rights are exercisable by TdF, such rights will give TdF (whose ultimate parent is France Telecom) and its affiliates the ability to exert significant control over the governance of the Company and CTI. The exercise of such rights by TdF may be contrary to the interests of the Company's other stockholders generally, and may prevent the Company and/or CTI from entering into transactions that the Company's Board of Directors deems to be in the best interests of the Company and its stockholders. See "--Anti-Takeover Provisions".

CTSH Option. In addition to TdF's governance rights with respect to the Company and CTI described above, in the event of (i) the sale of all or substantially all of the Company's assets, (ii) a merger, consolidation or similar transaction that would result in any person owning more than 50% of the Company's voting power or equity securities, (iii) an unsolicited acquisition by any person of more than 25% (or 30% if the Company elects by notice in writing to TdF) of such securities or (iv) certain other circumstances relating to an acquisition by any person that would give rise to a right of the BBC to terminate the BBC Analog Transmission Contract (as defined) or the BBC Digital Transmission Contract (as defined) (each, a "Triggering Event"), which Triggering Event is not approved by TdF, TdF will have the right, subject to certain conditions, to acquire all of the Company's shares of capital stock of CTSH or to require the Company to purchase all of TdF's shares of capital stock of CTSH, in each case at fair market value. Further, immediately prior to the occurrence of a Triggering Event, TdF will have the right to require the Company to purchase 50% of the Class A Common Stock held by TdF and its affiliates in cash at a price per share equal to the price to be paid upon consummation of the Triggering Event. See "The Roll-Up".

TdF's right to purchase the Company's shares of CTSH upon a Triggering Event may have the effect of preventing a change of control of the Company. If the Company were required to sell its shares in CTSH to TdF, it would no longer own or conduct the CTI business. Alternatively, if the Company were required to purchase all of TdF's shares of CTSH and/or purchase 50% of the Class A Common Stock held by TdF and its affiliates, there can be no assurance that the Company would have the necessary funds to do so or that such purchase would be permitted under the terms of the Company's debt instruments. If the Company did not have sufficient funds to purchase TdF's shares of capital stock of CTSH or TdF's and TdF's affiliates' shares of Class A Common Stock, the Company would need to seek additional financing. There can be no assurance that any such financing could be obtained on terms acceptable to the Company, or at all. In the absence of such financing, the Company could be forced to dispose of other assets under circumstances that might not be favorable to realizing the highest price for such assets in order to obtain the funds to purchase the TdF shares. In addition, the obligation to purchase the TdF shares could result in an event of default under the terms of the Company's outstanding indebtedness.

Liquidity Rights. If on or before the second anniversary of the consummation of the Roll-Up (i) TdF has not exchanged its shares of capital stock of CTSH in accordance with the Governance Agreement (as defined) or (ii) TdF has ceased to be Qualified (as defined) for purposes of the Governance Agreement, TdF will thereafter have the right to require the Company to purchase all of TdF's shares of capital stock of CTSH at their fair market value. The Company may elect to pay for such shares either (i) in cash or (ii) in shares of its Common Stock at a discount of 15% to the market value of such Common Stock. See "The Roll-Up". There can be no assurance that the Company will have sufficient funds to purchase such shares for cash in connection with any put of TdF's shares of capital stock of CTSH. If the Company does not have sufficient funds for such purchase, it would either have to seek additional financing or purchase such shares with its Common Stock. There can be no assurance that any such financing could be obtained on terms acceptable to the Company, if at all. If the Company were to issue shares of its Common Stock to effect the purchase, such issuance would result in substantial dilution of the Company's other stockholders, could adversely affect the market price of the Common Stock and could impair the Company's ability to raise additional capital through the sale of its equity securities. See "--Dilution".

BROAD DISCRETION IN APPLICATION OF PROCEEDS

A substantial portion of the estimated net proceeds from the Offering will be allocated to the Company's working capital and general corporate purposes and may be applied to as yet unidentified acquisitions, investments or joint ventures in the United States or abroad. Due to the number and variability of factors that will be analyzed before the Company determines how to use such net proceeds, the Company will have broad discretion in allocating a significant portion of the net proceeds from the Offering without any action or approval of the Company's stockholders. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by the Company in determining the application of such net proceeds. See "Use of Proceeds".

HOLDING COMPANY STRUCTURE; DEPENDENCE ON DIVIDENDS TO MEET CASH REQUIREMENTS OR PAY DIVIDENDS

CCIC is a holding company with no business operations of its own. CCIC's only significant asset is the outstanding capital stock of its subsidiaries. CCIC conducts all its business operations through its subsidiaries. Accordingly, CCIC's only source of cash to pay dividends or make other distributions on its capital stock is distributions with respect to its ownership interest in its subsidiaries from the net earnings and cash flow generated by such subsidiaries. CCIC currently expects that the earnings and cash flow of its subsidiaries will be retained and used by such subsidiaries in their operations, including to service their respective debt obligations. Even if CCIC determined to pay a dividend on or make a distribution in respect of the capital stock of its subsidiaries, there can be no assurance that CCIC's subsidiaries will generate sufficient cash flow to pay such a dividend or distribute such funds to CCIC or that applicable state law and contractual restrictions, including negative covenants contained in the debt instruments of such subsidiaries, will permit such dividends or distributions. Furthermore, the terms of the Senior Credit Facility and the Notes place restrictions on CCI's ability, and the terms of the CTI Credit Facility and the CTI Bonds (as defined) place restrictions on CTI's ability, to pay dividends or to make distributions, and in any event, such dividends or distributions may only be paid if no default has occurred under the applicable instrument. In addition, CCIC's subsidiaries will be permitted under the terms of their existing debt instruments to incur certain additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to CCIC. See "--Substantial Leverage; Restrictions Imposed by the Terms of the Company's Indebtedness" and "Description of Certain Indebtedness".

RISKS ASSOCIATED WITH CONSTRUCTION AND ACQUISITIONS OF TOWERS

The Company's growth strategy depends on its ability to construct, acquire and operate towers in conjunction with the expansion of wireless communications carriers. As of June 30, 1998, the Company had 55 towers under construction and had plans to commence construction on an additional 117 towers by the end of 1998. The Company's ability to construct new towers can be affected by a number of factors beyond its control, including zoning and local permitting requirements and national regulatory approvals, availability of construction equipment and skilled construction personnel and bad weather conditions. In addition, as the concern over tower proliferation has grown in recent years, certain communities have placed restrictions on new tower construction or have delayed granting permits required for construction. There can be no assurance that: (i) the Company will be able to overcome the barriers to new construction; (ii) the number of towers planned for construction will be completed in accordance with the requirements of the Company's customers; or (iii) there will be a significant need for the construction of new towers once the wireless communications carriers complete their tower network infrastructure build-out. Further, the Company competes with certain wireless communications carriers, broadcasters, site developers and other independent tower owners and operators for acquisitions of towers, and expects such competition to increase. Increased competition for acquisitions may result in fewer acquisition opportunities for the Company, as well as higher acquisition prices. The Company regularly explores acquisition opportunities. However, there can be no assurance that the Company will be able to identify suitable towers to acquire in the future. In addition, the Company may need to seek additional debt or equity financing in order to fund properties it seeks to acquire. The availability of additional financing cannot be assured and depending on the terms of proposed acquisitions and financing, could be restricted by the terms of the Company's debt instruments. No assurance can be given that the Company will be able to identify, finance and complete future construction and acquisitions on acceptable terms or that the Company will be able to manage profitably and market under-utilized capacity on additional towers. The extent to which the Company is unable to construct or acquire additional towers, or manage profitably such tower expansion, may have a material adverse effect on the Company's financial condition and results of operation.

In addition, the time frame for the current wireless build-out cycle may be limited to the next few years, and many PCS and PCN networks have already been built out in large markets. A failure by the Company to move quickly and aggressively to obtain growth capital and capture this infrastructure opportunity could have a material adverse effect on the Company's financial condition and results of operations.

DEPENDENCE ON DEMAND FOR WIRELESS COMMUNICATIONS; RISK ASSOCIATED WITH NEW TECHNOLOGIES

Demand for the Company's site rentals is dependent on demand for communication sites from wireless communications carriers, which, in turn, is dependent on the demand for wireless services. Most types of wireless services currently require ground-based network facilities, including communication sites for transmission and reception. The extent to which wireless communications carriers lease such communication sites depends on a number of factors beyond the Company's control, including the level of demand for such wireless services, the financial condition and access to capital of such carriers, the strategy of carriers with respect to owning or leasing communication sites, government licensing of broadcasting rights, changes in telecommunications regulations and general economic conditions.

The wireless communications industry has undergone significant growth in recent years. A slowdown in the growth of, or reduction in, demand in a particular wireless segment could adversely affect the demand for communication sites. For example, the Company anticipates that a significant amount of its revenues over the next several years will be generated from carriers in the PCS and PCN market and, as such, the Company will be subject to downturns in PCS and PCN demand. Moreover, wireless communications carriers often operate with substantial leverage, and financial problems for the Company's customers could result in accounts receivable going uncollected, in the loss of a customer and the associated lease revenue, or in a reduced ability of these customers to finance expansion activities.

Finally, advances in technology, such as the development of new satellite systems, could reduce the need for land-based transmission and reception networks. The occurrence of any of these factors could have a material adverse effect on the Company's financial condition and results of operations.

VARIABILITY IN DEMAND FOR NETWORK SERVICES

Demand for the Company's network services fluctuates from period to period and within periods. These fluctuations are caused by a number of factors, including the timing of customers' capital expenditures, annual budgetary considerations of customers, the rate and volume of wireless communications carriers' tower build-outs, timing of existing customer contracts and general economic conditions. While such demand fluctuates, the Company must incur certain costs, such as maintaining a staff of network services employees in anticipation of future contracts, even when there may be no current business. Consequently, the operating results of the Company's network services businesses for any particular period may vary significantly, and should not be considered as necessarily being indicative of longer-term results. For example, the Company experienced a decline, as compared to the two previous quarters, in demand for its network services business in the fourth quarter of 1997 and the first quarter of 1998. There can be no assurance that the demand for such business will return to the level of the two previous quarters. Furthermore, as wireless communications carriers complete their build-outs, the need for the construction of new towers and the demand for certain network services could decrease significantly and could result in fluctuations and, possibly, significant declines in the Company's operating performance.

COMPETITION

The Company competes for site rental customers with (i) wireless communications carriers that own and operate their own tower footprints and lease, or may in the future decide to lease, antenna space to other carriers, (ii) site development companies which acquire antenna space on existing towers for wireless communications carriers and manage new tower construction, (iii) other independent tower companies and (iv) traditional local independent tower operators. Wireless communications carriers that own and operate their own tower footprints generally are substantially larger and have greater financial resources than the Company. The Company believes that tower location and capacity, price, quality of service and density within a geographic market historically have been and will continue to be the most significant competitive factors affecting the site rental business.

The Company competes for acquisition and new tower construction opportunities with wireless communications carriers, site developers and other independent tower operators. The Company believes that competition for tower acquisitions will increase and that additional competitors will enter the tower market. These additional competitors may have greater financial resources than the Company.

NTL, which owns the privatized engineering division of the Independent Broadcasting Authority, is the Company's principal competitor in the terrestrial broadcast transmission market in the United Kingdom. There can be no assurance that the Company will not encounter significant competition from NTL for its transmission business with the BBC or BDB following the expiration of the Company's current contracts with such broadcasters. See "--Reliance on Significant Agreements".

RELIANCE ON SIGNIFICANT AGREEMENTS

While the Company generally has a diverse customer base, the BBC, Nextel and NTL accounted for approximately 45.1%, 7.5% and 6.6%, respectively, of the Company's pro forma revenues for the six months ended June 30, 1998.

The Company's broadcast transmission business is substantially dependent on contracts with the BBC. See "Business--U.K. Operations--Significant Contracts". The prices that the Company may charge the BBC for analog television and radio transmission services are subject to regulation by the U.K. Office of Telecommunications ("OFTEL"). See "--Regulatory Compliance and Approval". The BBC Analog Transmission Contract expires on March 31, 2007, and the BBC Digital Transmission Contract will expire 12 years after the date on which the Company commences digital terrestrial transmission services on a commercial basis for the BBC, which is expected to be November 1, 1998. In addition, the BBC Digital Transmission Contract may be terminated by the BBC during the three-month period following the fifth anniversary of the Company's commencement of digital terrestrial transmission services for the BBC if the BBC's Board of Governors determines, in its sole discretion, that DTT in the United Kingdom does not have sufficient viewership to justify continued DTT broadcasts. There can be no assurance that the BBC will renew its contracts with the Company upon expiration of the current contracts, that they will not negotiate terms less favorable to the Company or that they would not seek to obtain from third parties a portion of the transmission services currently provided by the Company. The loss of the BBC contracts would have a material adverse effect on the Company's business, results of operations and financial condition.

As of June 30, 1998, the Company had constructed or purchased 88 towers for Nextel, was in the process of constructing or receiving permits for 30 towers for Nextel and had the option to construct or purchase up to 108 additional towers for Nextel. See "Business--U.S. Operations--Significant Contracts". Nextel may terminate the Nextel Agreement (as defined) if the Company fails to complete the construction of towers within an agreed period or if Nextel exercises its purchase option (following certain construction delays by the Company) for the greater of five towers or 5% of the aggregate number of total sites committed to within a rolling eight-month period. Furthermore, the Nextel Agreement may be terminated by Nextel upon either the insolvency or liquidation of the Company. The Nextel Agreement represents a significant part of the Company's business strategy, and the Company expects Nextel to represent an even larger portion of its business in the future. Termination of the Nextel Agreement could have a material adverse effect on the Company's ability to achieve its business strategy.

In order to optimize service coverage in the United Kingdom and enable viewers to receive all analog UHF television services using one receiving antenna, pursuant to the Site-Sharing Agreement (as defined), CTI and NTL made arrangements to share all UHF television sites. See "Business--U.K. Operations--Significant Contracts". Negotiations are in progress between the Company and NTL to amend the Site-Sharing Agreement to account for the build-out of digital transmission sites and equipment, a new rate card related to site sharing fees for new digital facilities and revised operating and maintenance procedures. The Site-Sharing Agreement may be terminated with five years' prior notice by either of the parties and in certain other circumstances and expires on December 31, 2005 or on any tenth anniversary of that date. Although the Company does not anticipate that the Site-Sharing Agreement will be terminated, there can be no assurance that such a termination will not occur. Termination of the Site-Sharing Agreement could have a material adverse effect on the Company's business, results of operations and financial condition.

REGULATORY COMPLIANCE AND APPROVAL

The Company is subject to a variety of foreign, federal, state and local regulation. In the United States, both the FCC and the Federal Aviation Administration (the "FAA") regulate towers and other sites used for wireless communications transmitters and receivers. Such regulations control siting and marking of towers and may, depending on the characteristics of the tower, require registration of tower facilities. Wireless communications devices operating on towers are separately regulated and independently licensed based upon the regulation of the particular frequency used. Most proposals to construct new antenna structures or to modify existing antenna structures are reviewed by both the FCC and the FAA to ensure that a structure will not present a hazard to aviation. Owners of towers may have an obligation to paint them or install lighting to conform to FCC standards and to maintain such painting or lighting. Tower owners may also bear the responsibility for notifying the FAA of any tower lighting failures. The Company generally indemnifies its customers against any failure to comply with applicable standards. Failure to comply with applicable requirements may lead to civil penalties or require the Company to assume costly indemnification obligations. Local regulations include city or other local ordinances, zoning restrictions and restrictive covenants imposed by community developers. These regulations vary greatly, but typically require tower owners to obtain approval from local officials or community standards organizations prior to tower construction. Local regulations can delay or prevent new tower construction or site upgrade projects, thereby limiting the Company's ability to respond to customers' demands. In addition, such regulations increase the costs associated with new tower construction. There can be no assurance that existing regulatory policies will not adversely affect the timing or cost of new tower construction or that additional regulations will not be adopted which increase such delays or result in additional costs to the Company. Such factors could have a material adverse effect on the Company's financial condition and results of operations.

In the United Kingdom, both OFTEL and the Radiocommunications Agency regulate and monitor telecommunications and frequency licensing for sites used for wireless communications transmitters and receivers. Site rental fees for broadcasting (but not telecommunications) are also subject to price regulation by OFTEL. Regulatory approvals required to construct or materially alter towers include Civil Aviation Authority (the "CAA") approval, to ensure new antenna structures do not present a hazard to aviation, and local government planning authority clearance. In addition, international frequency clearance may be required to avoid any potential European transmission interference. Such regulation may delay, restrict or prevent such construction or alteration, thereby limiting the Company's ability to respond to customers' demands. There can be no assurance that existing regulatory policies will not adversely affect the timing or cost of new tower construction or that additional regulations will not be adopted which increase such delays or result in additional costs to the Company. Such factors could have a material adverse effect on the Company's financial condition and results of operations.

Since the BBC Analog Transmission Contract was signed, the BBC has increased its service requirements to include (i) 24-hour broadcasting on the Company's terrestrial transmission network for the BBC's two national television services and (ii) a requirement for CTI to add a number of filler stations to its network to extend existing BBC services. The BBC has agreed to increases of approximately (Pounds)800,000 ($1,335,600) per year in the charges payable by the BBC to CTI, as provided under the BBC Analog Transmission Contract, for these service enhancements. The additional charges may necessitate an amendment to CTI's Transmission Telecommunications License. OFTEL, the relevant regulatory authority in the United Kingdom, has confirmed in initial discussions with CTI that it is not OFTEL's intention to prevent the provision of such additional services to the BBC at an additional charge. CTI is discussing with OFTEL the most appropriate way to rectify this situation in order to allow the additional services to be provided to the BBC in return for the additional agreed payments. While the Company expects the license to be amended, there can be no assurance as to the final resolution of these issues with OFTEL.

The Company's customers may also become subject to new regulations or regulatory policies which adversely affect the demand for communication sites. In addition, as the Company pursues international opportunities, it will be subject to regulation in foreign jurisdictions.

The Company is also subject to laws and regulations relating to worker health and safety. Failure to comply with such laws and regulations could have a material adverse effect on the Company's business, results of operation, or financial condition. See "Business--Regulatory Matters".

ENVIRONMENTAL MATTERS

The Company's operations are subject to foreign, federal, state and local laws and regulations regarding the management, use, storage, disposal, emission, release and remediation of, and exposure to, hazardous and nonhazardous substances, materials or wastes ("Environmental Laws"). Under certain Environmental Laws, the Company could be held strictly, jointly and severally liable for the remediation of hazardous substance contamination at its current or former facilities or at third-party waste disposal sites, and also could be subject to personal injury or property damage claims related to such contamination. Although the Company believes that it is in substantial compliance with all applicable Environmental Laws, there can be no assurance that the costs of compliance with existing or future Environmental Laws will not have a material adverse effect on the Company's financial condition and results of operations. See "Business--Environmental Matters".

PERCEIVED HEALTH RISKS ASSOCIATED WITH RADIO FREQUENCY EMISSIONS

The Company and the wireless communications carriers that utilize the Company's towers are subject to government requirements and other guidelines relating to radio frequency ("RF") emissions. The potential connection between RF emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. To date, the results of these studies have been inconclusive. Although the Company has not been subject to any claims relating to RF emissions, there can be no assurance that it will not be subject to such claims in the future. See "--Environmental Matters" and "Business--Environmental Matters".

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS

The Company conducts business in countries outside the United States, which exposes the Company to fluctuations in foreign currency exchange rates. In 1997, after giving pro forma effect to the Roll-Up, approximately 68.8% of the Company's consolidated revenues would have originated outside the United States, all of which were denominated in currencies other than U.S. dollars (principally pounds sterling). The Company has not historically engaged in significant hedging activities with respect to its non-U.S. dollar operations.

The Company's international operations are subject to other risks, such as the imposition of government controls, inflation, tariff or taxes and other trade barriers, difficulties in staffing and managing international operations, price, wage and exchange controls, and political, social and economic instability. There can be no assurance that these and other factors will not have a material adverse effect on the Company's financial condition or results of operations.

DEPENDENCE ON PRINCIPAL EXECUTIVE OFFICERS

The Company's existing operations and continued future development are dependent to a significant extent upon the performance and the active participation of certain key individuals, including the senior management of the Company and its subsidiaries. There can be no assurance that the Company will be successful in retaining the services of these, or its other, key personnel. None of the Company's employees are subject to noncompetition agreements with the Company. The loss of the services of one or more of the Company's key personnel could adversely affect the Company's financial condition and results of operations. See "Management--Executive Compensation--Crown Arrangements".

YEAR 2000 COMPLIANCE

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

ANTI-TAKEOVER PROVISIONS

Certain provisions of the Certificate of Incorporation, the Amended and Restated Bylaws (the "By-laws") and operative agreements entered into in connection with the Roll-Up could make it more difficult for a third party to acquire, and could discourage a third party from attempting to acquire, control of the Company. These provisions include, but are not limited to, the right of the holders of the Class A Common Stock to elect up to two members of the Board of Directors, a staggered Board of Directors, the authority of the Board of Directors to issue shares of undesignated preferred stock in one or more series without the specific approval of the holders of Common Stock (other than the holders of the Class A Common Stock), the establishment of advance notice requirements for director nominations and actions to be taken at annual meetings and the requirement that the holders of the Class A Common Stock approve certain changes to the Certificate of Incorporation or the By-laws. In addition, the By-laws permit special meetings of the stockholders to be called only upon the request of a majority of the Board of Directors, and deny stockholders the ability to call such meetings. Pursuant to the Governance Agreement, subject to certain conditions, TdF has the right to purchase the Company's equity interest in CTSH upon the occurrence of a Triggering Event that is not approved by TdF. In addition, subject to certain limitations, the BBC Analog Transmission Contract and the BBC Digital Transmission Contract may be terminated upon the occurrence of certain change of control events (as defined in such contracts). Such provisions, as well as the provisions of Section 203 of the Delaware General Corporation Law (to which the Company is subject), could impede a merger, consolidation, takeover or other business combination involving the Company or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company. In certain circumstances, the fact that corporate devices are in place that will inhibit or discourage takeover attempts could reduce the market value of the Common Stock. See "Description of Capital Stock", "--Risks Related to Agreements with TdF" and "The Roll-Up".

SHARES ELIGIBLE FOR FUTURE SALE

Sales of a substantial number of shares of Common Stock after the Offering could adversely affect the market price of the Common Stock and could impair the Company's ability to raise capital through the sale of equity securities. Upon completion of the Offering, the Company will have 97,728,545 shares of Common Stock outstanding (99,039,510 shares if the over-allotment option is exercised in full). In addition, the Company has reserved for issuance 16,182,350 shares of Common Stock upon exercise of outstanding stock options, 1,314,990 shares of Common Stock upon exercise of outstanding warrants and 11,340,000 shares of Common Stock for the conversion of the outstanding Class A Common Stock. The 31,250,000 shares (35,937,500 if the over-allotment option is exercised in full) sold in the Offering will be freely transferable without restriction under the Securities Act, unless they are held by "affiliates" of the Company as that term is used under the Securities Act. The remaining 66,478,545 shares of Common Stock outstanding (63,102,010 if the over-allotment option is exercised in full) will be "restricted securities" as that term is defined in Rule 144 and may only be sold pursuant to a registration statement under the Securities Act or an applicable exemption from registration. Approximately 64,000,000 shares (81,500,000 including shares issuable upon conversion or exercise of outstanding securities) will be subject to demand and piggyback registration rights. In addition, the Company estimates that upon the expiration of the 180-day lock-up period described below, approximately 46,500,000 shares may be sold under Rule 144, subject to the volume restrictions contained therein.

In connection with the Offering and subject to certain exceptions, the Company and, with certain limited exceptions, all existing stockholders of the Company will be required not to sell any shares of Common Stock (including shares under options and warrants) for a period of 180 days after the date of this Prospectus without the prior written consent of Lehman Brothers Inc. In addition to certain typical exceptions to such "lock-up" agreements, all employees of the Company and its subsidiaries (excluding Mr. Crown, certain executive officers and the directors of the Company) will each be permitted to sell during the 180-day period described above up to 12% of the shares of Common Stock beneficially owned or held under option by such employee as of the date of this Prospectus, subject to compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, the lock-up will not prohibit sales of shares received from the exercise of options granted under the CTSH All Employee Share Option Scheme, which options will be fully vested upon consummation of the Offering and which represent 285,350 shares of Common Stock. Moreover, any shares subject to such lock-up agreements may be released at any time without notice with the consent of Lehman Brothers Inc. See "Underwriting".

DILUTION

Persons purchasing shares of Common Stock in the Offering will incur immediate and substantial dilution in net tangible book value per share. Assuming an initial public offering price of $18.00 per share, purchasers of shares in the Offering will experience dilution of $13.33 per share. In addition, pursuant to the Governance Agreement, until the second anniversary of the closing of the Roll-Up, TdF has the right, and in certain circumstances the Company can require TdF, to exchange its CTSH shares and warrants for CTSH shares for shares of Class A Common Stock (which is convertible into Common Stock) and warrants for Class A Common Stock (which is convertible into Common Stock) of the Company. Such exchange would be based on the Exchange Ratio and, as a result, could result in substantial additional dilution. Furthermore, following the second anniversary of the Roll-Up, unless TdF shall have previously exchanged its shares of capital stock of CTSH in accordance with the Governance Agreement, TdF can require the Company to purchase all of TdF's equity interest in CTSH at its fair market value, which purchase may be made, at the election of the Company, in shares of Common Stock valued at a discount of 15% to its then current market value. See "--Risks Related to Agreements with TdF" and "The Roll-Up." If the Company were to make such an election, it would result in substantial additional dilution. In addition, to the extent that outstanding options and warrants to purchase Common Stock are exercised, there could be substantial additional dilution. See "--Risks Related to Agreements with TdF", "Dilution" and "The Roll-Up".

NO PRIOR MARKET FOR THE COMMON STOCK; POSSIBLE VOLATILITY OF SHARE PRICE

Prior to the Offering, there has been no public market for the Common Stock, and there can be no assurance that an active trading market will develop upon completion of the Offering or, if it does develop, that such market will be sustained. The initial public offering price of the Common Stock will be determined by negotiation among the Company and the representatives of the Underwriters, and may not be representative of the price that will prevail in the open market. See "Underwriting" for a discussion of the factors that will be considered in determining the initial public offering price.

The market price of the Common Stock after the Offering may be significantly affected by factors such as quarterly variations in the Company's results of operations, the announcement of new contracts by the Company or its competitors, technological innovation by the Company or its competitors and general market conditions specific to particular industries. Such fluctuations may adversely affect the market price of the Common Stock.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the shares of Common Stock offered hereby are estimated to be approximately $465.3 million ($478.9 million if the Underwriters' over-allotment option is exercised in full), assuming a public offering price of $18.00 per share and after deducting estimated underwriting discounts, transaction fees and expenses of the Offering payable by the Company. The net proceeds to the Company of the Offering will be used for working capital and general corporate purposes including (i) acquisitions, investments and joint ventures and (ii) capital expenditures associated with (a) the buildout of new infrastructure in the United Kingdom to support DTT and (b) the construction of new towers. Prior to such application, the net proceeds will be invested in short-term investments.

Due to the number and variability of factors that will be analyzed before the Company determines how to use the net proceeds of the Offering, the Company will have broad discretion in allocating a significant portion of such net proceeds without any action or approval of the Company's stockholders. While the Company is pursuing a number of acquisition opportunities, the Company has not entered into any agreements in respect of, and believes that there are a number of competing bidders for, these opportunities. As a result, the Company does not believe that any of these acquisition opportunities have become probable. Therefore, none of the net proceeds have been specifically allocated to any of these opportunities. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by the Company in determining the application of such net proceeds. See "Risk Factors--Broad Discretion in Application of Proceeds".

DIVIDEND POLICY

No dividends have ever been paid by the Company on the Common Stock, and the Company does not anticipate paying dividends in the foreseeable future. Any determination to pay cash dividends in the future will be at the discretion of the Company's Board of Directors and will depend upon the Company's results of operations, financial condition, contractual restrictions and other factors deemed relevant at that time by the Company's Board of Directors.

The ability of the Company to pay dividends on the Common Stock is dependent upon the ability of its subsidiaries to pay dividends, or otherwise loan, advance or transfer funds, to the Company. The terms of the Company's indebtedness impose limitations on the ability of the Company to pay dividends or make other distributions on its capital stock. See "Risk Factors--Substantial Leverage; Restrictions Imposed by the Terms of the Company's Indebtedness", "Risk Factors--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends" and "Description of Certain Indebtedness".

DILUTION

Dilution is the amount by which the offering price paid by the purchasers of the Common Stock offered hereby will exceed the net tangible book value per share of Common Stock after the Offering. Net tangible book value per share is determined at any date by subtracting the total liabilities and minority interests of the Company from the total book value of the tangible assets of the Company and dividing the difference by the number of shares of Common Stock deemed to be outstanding (including shares issuable upon conversion of outstanding shares of Class A Common Stock) at such date.

The net tangible book value of the Company on June 30, 1998, after subtracting the interests of the preferred shareholders, was a deficit of approximately $121.6 million or negative $11.10 per share. The net tangible book value of the Company, after giving effect to the Roll-Up and the Senior Preferred Conversion, on June 30, 1998 was approximately $44.4 million or $0.54 per share. After giving effect to the receipt of approximately $465.3 million of estimated net proceeds from the sale by the Company of 27,500,000 shares of Common Stock pursuant to the Offering (assuming a public offering price of $18.00 per share), the pro forma net tangible book value of the Company at June 30, 1998 would have been approximately $509.7 million or $4.67 per share. This represents an immediate increase in pro forma net tangible book value of $4.13 per share to the existing stockholders and an immediate dilution of $13.33 per share to new investors purchasing shares of Common Stock in the Offering. The following table illustrates the substantial and immediate per share dilution to new investors:

		PER SHARE
Assumed initial public offering price per share (a)		$18.00
Pro forma net tangible book value before the Offering	$0.54	
Increase per share attributable to new investors	4.13	
Pro forma net tangible book value after the Offering		4.67
Dilution per share to new investors (b)		$13.33

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(a) Before deducting underwriting discounts and estimated transaction fees and expenses of $29.7 million to be paid by the Company in connection with the Offering.
(b) Dilution is determined by subtracting net tangible book value per share after the Offering from the amount assumed paid by a new investor per share of Common Stock.

If the over-allotment option is exercised in full, the pro forma net tangible book value of the Company at June 30, 1998 would have been approximately $525.5 million or $4.76 per share, the increase in the net tangible book value per share would be $4.22 and the dilution to new investors purchasing shares of Common Stock in the Offering would be $13.24.

The following table summarizes the difference among existing stockholders (determined as if the Offering had occurred on June 30, 1998), stockholders receiving shares in the Roll-Up ("Roll-Up stockholders") (determined as if the Roll-Up had occurred on June 30, 1998) and new investors with respect to the number of shares of Common Stock purchased from the Company, the total consideration paid to the Company and the average price paid per share (assuming an initial public offering price of $18.00 per share).

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENTAGE	AMOUNT	PERCENTAGE	
New investors	27,500,000	25.2%	$495,000,000	62.8%	$18.00
Roll-Up stockholders	32,207,700(a)	29.5	76,815,365(b)	9.7	2.39
Existing stockholders	49,471,490(a)	45.3	216,573,552	27.5	4.38
Total	109,179,190	100.0%	$788,388,917	100.0%	$ 7.22

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(a) Does not include 22,257,360 shares of Common Stock reserved for issuance under the Company's stock option plans or 1,314,990 shares of Common Stock issuable upon the exercise of outstanding warrants. See "Management--Executive Compensation--Stock Option Plans" and "Underwriting".

(b) Assumes that each of the 4,601,100,000 shares of capital stock of CTSH exchanged in the Roll-Up for shares of Common Stock was acquired by the Roll-Up stockholders for 1 pence per share (or total consideration of (Pounds)46,011,000 ($76,815,365) at an exchange rate of (Pounds)1.00=$1.6695).

All of the foregoing computations include the 11,340,000 shares of Class A Common Stock owned by DFI, which are convertible into an aggregate of 11,340,000 shares of Common Stock. See "The Roll-Up". The foregoing tables and discussion assume no exercise of stock options or warrants after June 30, 1998 and exclude (i) 5,280,510 shares issuable upon exercise of stock options outstanding as of June 30, 1998 having a weighted average exercise price of $5.58 per share under the Company's 1995 Stock Option Plan, (ii) 12,719,490 additional shares authorized for issuance under the Company's 1995 Stock Option Plan, (iii) warrants to purchase 1,314,990 shares of Common Stock at an exercise price of $7.50 per share and (iv) 17,443,500 additional shares of Common Stock issuable upon exercise of the TdF Put Right or the Company Call Right. In addition, following the second anniversary of the Roll-Up, unless TdF shall have previously exchanged its shares of capital stock of CTSH in accordance with the Governance Agreement, TdF may require the Company to repurchase the shares of capital stock of CTSH held by TdF at fair market value. Pursuant to the Governance Agreement, the Company could elect to pay for such shares in shares of its Common Stock at a discount of 15% to their market value. See "Risk Factors--Risks Related to Agreements with TdF" and "The Roll-Up". If the Company were to issue shares of its Common Stock to effect the purchase, such issuance would result in substantial dilution to the Company's other stockholders. Since June 30, 1998, the Company has granted options to purchase an additional 6,644,480 shares of Common Stock, of which options for 3,054,480 shares have an exercise price of $7.50 and options for 3,590,000 shares have an exercise price of $18.00. To the extent that outstanding stock options or warrants are exercised, there will be further dilution to new investors. See "Risk Factors--Risks Related to Agreements with TdF", "Risk Factors--Dilution", "Capitalization", "Management--Executive Compensation--Stock Option Plan" and Notes 7 and 8 of Notes to Consolidated Financial Statements.

CAPITALIZATION

The following table sets forth as of June 30, 1998 (i) the historical capitalization of the Company and (ii) the pro forma capitalization of the Company after giving effect to the Roll-Up, the Offering and the Senior Preferred Conversion. See "The Roll-Up". The information set forth below should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto included elsewhere in this Prospectus.

	JUNE 30, 1998	
	ACTUAL	PRO FORMA
	(DOLLARS IN THOUSANDS)	
Cash and cash equivalents	$ 51,258	$ 532,338
Notes payable and current maturities of long-term debt	$ --	$ --
Long-term debt (less current maturities):		
Senior Credit Facility (a)	$ 57,250	$ 57,250
10 5/8% Senior Discount Notes due 2007	159,619	159,619
CTI Credit Facility (a)	--	46,853
9% Guaranteed Bonds due 2007	--	201,534
Total long-term debt	216,869	465,256
Minority interests	--	37,882
Redeemable preferred stock ($.01 par value; 6,435,228 shares authorized, actual; 10,000,000 shares authorized, pro forma):		
Senior Convertible Preferred Stock (657,495 shares issued, actual)	72,080	--
Series A Convertible Preferred Stock (1,383,333 shares issued, actual)	8,300	--
Series B Convertible Preferred Stock (864,568 shares issued, actual)	10,375	--
Series C Convertible Preferred Stock (3,529,832 shares issued, actual)	74,126	--
Total redeemable preferred stock	164,881	--
Stockholders' equity:		
Common stock ($.01 par value; 12,800,000 shares authorized, actual):		
Existing Class A Common Stock (1,041,565 shares issued, actual)	2	--
Existing Class B Common Stock (9,367,165 shares issued, actual)	19	--
Common Stock ($.01 par value; 600,000,000 shares authorized and 97,728,545 shares issued, pro forma)	--	977
Class A Common Stock ($.01 par value; 90,000,000 shares authorized and 11,340,000 shares issued, pro forma)	--	113
Additional paid-in capital	58,584	1,267,410
Cumulative foreign currency translation adjustment	2,319	2,319
Accumulated deficit	(34,203)	(34,203)
Total stockholders' equity	26,721	1,236,616
Total capitalization	$ 408,471	$ 1,739,754

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(a) As of June 30, 1998, the Company's principal U.S. subsidiary, CCI, had approximately $27.5 million of unused borrowing availability under the Senior Credit Facility, and the Company's principal U.K. subsidiary, CTI, had approximately (Pounds)35.0 million ($58.4 million) of unused borrowing availability under the CTI Credit Facility. See "Description of Certain Indebtedness".

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements (the "Pro Forma Financial Statements") are based on the historical financial statements of CCIC and the historical financial statements of the entities acquired by CCIC (including TEA and Crown) during the periods presented, adjusted to give effect to the following transactions (collectively, the "Transactions"): (i) the CTI Investment, (ii) the TEA Acquisition, (iii) the acquisition of TeleStructures (the "TeleStructures Acquisition"), (iv) the Crown Merger (together with the acquisitions described in clauses (i), (ii) and (iii), the "Acquisitions"), (v) the 1997 Refinancing, (vi) the Roll-Up, (vii) the Offering and (viii) the Senior Preferred Conversion.

The Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 1997 gives effect to the Transactions as if they had occurred as of January 1, 1997, and the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the six months ended June 30, 1998 gives effect to the Roll-Up, the Offering and the Senior Preferred Conversion as if they had occurred as of January 1, 1998. The Unaudited Pro Forma Condensed Consolidated Balance Sheet gives effect to the Roll-Up, the Offering and the Senior Preferred Conversion as if they had occurred as of June 30, 1998. The pro forma adjustments are described in the accompanying notes and are based upon available information and certain assumptions that management believes are reasonable.

The Pro Forma Financial Statements do not purport to represent what CCIC's results of operations or financial condition would actually have been had the Transactions in fact occurred on such dates or to project CCIC's results of operations or financial condition for any future date or period. The Pro Forma Financial Statements should be read in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The Acquisitions and the Roll-Up are accounted for under the purchase method of accounting. The total purchase price for each Acquisition and the Roll-Up have been allocated to the identifiable tangible and intangible assets and liabilities of the applicable acquired business based upon CCIC's preliminary estimate of their fair values with the remainder allocated to goodwill and other intangible assets. The allocations of the purchase prices are subject to revision when additional information concerning asset and liability valuations is obtained; however, the Company does not expect that any such revisions will have a material effect on its consolidated financial position or results of operations. The Company has recorded the purchase price for the Roll-Up based on (i) the number of shares of CCIC's Common Stock and Class A Common Stock exchanged for shares of CTI 's capital stock and (ii) the price per share received by CCIC from the Offering.

UNADUITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1997
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL				ADJUSTMENTS FOR ACQUISITIONS	PRO FORMA FOR ACQUISITIONS	ADJUSTMENTS FOR 1997 REFINANCING	PRO FORMA FOR ACQUISITIONS AND 1997 REFINANCING	HISTORICAL CTI (K)
	CCIC(A)	TEA(A)	TELE-STRUCTURES(A)	CROWN(A)					
Net revenues:									
Site rental and broadcast transmission.....	$ 11,010	$ --	$ --	$ 4,550	$ --	$ 15,560	$ --	$ 15,560	$110,922
Network services and other........	20,395	7,615	1,212	13,137	(1,068)(b)	41,291	--	41,291	13,558
Total net revenues........	31,405	7,615	1,212	17,687	(1,068)	56,851	--	56,851	124,480
Operating expenses:									
Costs of operations:									
Site rental and broadcast transmission.....	2,213	--	--	1,421	--	3,634	--	3,634	53,806
Network services and other........	13,137	6,454	1,008	5,841	(1,134)(c)	25,306	--	25,306	5,990
General and administrative...	6,824	644	25	3,761	--	11,254	--	11,254	9,124
Corporate development......	5,731	--	--	--	(2,224)(d)	3,507	--	3,507	--
Depreciation and amortization.....	6,952	52	--	1,006	5,179 (e)	13,189	--	13,189	34,627
	34,857	7,150	1,033	12,029	1,821	56,890	--	56,890	103,547
Operating income (loss)............	(3,452)	465	179	5,658	(2,889)	(39)	--	(39)	20,933
Other income (expense):									
Equity in losses of unconsolidated affiliate........	(1,138)	--	--	--	(136)(f)	(1,274)	--	(1,274)	--
Interest and other income (expense)........	1,951	9	--	(26)	(1,165)(g)	769	--	769	552
Interest expense and amortization of deferred financing costs..	(9,254)	(18)	--	(925)	(5,291)(h)	(15,488)	(2,347)(i)	(17,835)	(20,473)
Income (loss) before income taxes and minority interests.........	(11,893)	456	179	4,707	(9,481)	(16,032)	(2,347)	(18,379)	1,012
Provision for income taxes......	(49)	(1)	--	--	--	(50)	--	(50)	--
Minority interests.........	--	--	--	--	--	--	--	--	--
Net income (loss)............	(11,942)	455	179	4,707	(9,481)	(16,082)	(2,347)	(18,429)	1,012
Dividends on Senior Convertible Preferred Stock...	(2,199)	--	--	--	--	(2,199)	(6,134)(j)	(8,333)	--
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock...	$(14,141)	$ 455	$ 179	$ 4,707	$(9,481)	$(18,281)	$(8,481)	$(26,762)	$ 1,012
Loss per common share--basic and diluted...........	$ (2.27)								
Common shares outstanding--basic and diluted (in thousands)(r).....	6,238								

	ADJUSTMENTS	PRO FORMA FOR ACQUISITIONS, 1997 REFINANCING	ADJUSTMENTS

	FOR ROLL-UP	AND ROLL-UP	FOR OFFERING	PRO FORMA
Net revenues:				
Site rental and broadcast transmission.....	$ --	$126,482	$ --	$126,482
Network services and other........	(395)(l)	54,454	--	54,454
Total net revenues........	(395)	180,936	--	180,936
Operating expenses:				
Costs of operations:				
Site rental and broadcast transmission.....	--	57,440	--	57,440
Network services and other........	--	31,296	--	31,296
General and administrative...	(395)(l)	19,983	--	19,983
Corporate development......	--	3,507	--	3,507 (q)
Depreciation and amortization.....	25,190 (m)	73,006	--	73,006
	24,795	185,232	--	185,232
Operating income (loss)............	(25,190)	(4,296)	--	(4,296)
Other income (expense):				
Equity in losses of unconsolidated affiliate........	1,274(n)	--	--	--
Interest and other income (expense)........	--	1,321	--	1,321
Interest expense and amortization of deferred financing costs..	--	(38,308)	--	(38,308)
Income (loss) before income taxes and minority interests.........	(23,916)	(41,283)	--	(41,283)
Provision for income taxes......	--	(50)	--	(50)
Minority interests.........	(1,320)(o)	(1,320)	--	(1,320)
Net income (loss)............	(25,236)	(42,653)	--	(42,653)
Dividends on Senior Convertible Preferred Stock...	--	(8,333)	8,333 (p)	--
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock...	$(25,236)	$(50,986)	$8,333	$(42,653)
Loss per common share--basic and diluted...........		$ (0.71)		$ (0.39)
Common shares outstanding--basic and diluted (in thousands)(r).....		72,039		109,168

See Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 1998
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL CCIC	HISTORICAL CTI(K)	ADJUSTMENTS FOR ROLL-UP	PRO FORMA FOR ROLL-UP	ADJUSTMENTS FOR OFFERING	PRO FORMA
Net revenues:						
Site rental and broadcast transmission..........	$ 10,448	$ 62,438	$ --	$ 72,886	$ --	$ 72,886
Network services and other.................	12,919	9,360	(199)(l)	22,080	--	22,080
Total net revenues....	23,367	71,798	(199)	94,966	--	94,966
Operating expenses:						
Costs of operations:						
Site rental and broadcast transmission..........	2,418	28,386 (s)	--	30,804	--	30,804
Network services and other.................	7,155	5,884	--	13,039	--	13,039
General and administrative........	8,768	4,399	(199)(l)	12,968	--	12,968
Corporate development..	2,022	2,652 (s)	--	4,674	--	4,674 (q)
Depreciation and amortization..........	7,695	19,282	12,595 (m)	39,572	--	39,572
	28,058	60,603	12,396	101,057	--	101,057
Operating income (loss).................	(4,691)	11,195	(12,595)	(6,091)	--	(6,091)
Other income (expense):						
Equity in earnings of unconsolidated affiliate............	525	--	(525)(n)	--	--	--
Interest and other income................	1,370	574	--	1,944	--	1,944
Interest expense and amortization of deferred financing costs.................	(10,027)	(10,256)	--	(20,283)	--	(20,283)
Income (loss) before income taxes and minority interests.....	(12,823)	1,513	(13,120)	(24,430)	--	(24,430)
Provision for income taxes..................	(209)	--	--	(209)	--	(209)
Minority interests......	--	--	(685)(o)	(685)	--	(685)
Net income (loss).......	(13,032)	1,513	(13,805)	(25,324)	--	(25,324)
Dividends on Senior Convertible Preferred Stock..................	(4,132)	--	--	(4,132)	4,132 (p)	--
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock........	$(17,164)	$ 1,513	$(13,805)	$(29,456)	$4,132	$(25,324)
Loss per common share--basic and diluted......	$ (1.57)			$ (0.41)		$ (0.23)
Common shares outstanding--basic and diluted (in thousands)(r)......	10,954			72,050		109,179

See Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

(a) The historical results of operations for each of the entities acquired by CCIC in the Acquisitions are included in CCIC's historical results of operations for the period from their respective dates of acquisition through the end of the period presented. The historical results of operations presented for each of the acquired entities are their pre-acquisition results of operations. Set forth below are the respective dates of each Acquisition:

COMPANY	DATE
TEA	May 12, 1997
TeleStructures	May 12, 1997
Crown	August 15, 1997

(b) Reflects the following adjustments to net revenues:

	YEAR ENDED DECEMBER 31, 1997
Elimination of intercompany sales between TEA and TeleStructures	$(1,134)
Addition of management fee payable to CCIC from CTI for the portion of the period preceding the CTI Investment(i)	66
Total adjustments to net revenues	$(1,068)

(i) The CTI Investment was consummated on February 28, 1997. Management fees received by CCIC during the period subsequent to the CTI Investment are reflected in CCIC's historical results of operations.

(c) Reflects the elimination of intercompany transactions between TEA and TeleStructures.

(d) Reflects the elimination of (i) nonrecurring cash bonus awards of $913 paid to certain executive officers in connection with the CTI Investment and (ii) a nonrecurring cash charge of $1,311 related to the purchase by CCIC of shares of Class B Common Stock from CCIC's former chief executive officer in connection with the CTI Investment. See "Certain Relationships and Related Transactions".

(e) Reflects the incremental amortization of goodwill and other intangible assets and the incremental depreciation of property and equipment as a result of the Acquisitions. Goodwill is being amortized over twenty years and other intangible assets (primarily existing contracts) are being amortized over ten years.

(f) Reflects equity accounting adjustments to include CCIC's percentage in CTI's losses for the preinvestment period.

(g) Reflects the elimination of a nonrecurring success fee received by CCIC in connection with the CTI Investment.

(h) Reflects additional interest expense attributable to the seller notes issued in connection with the Crown Merger and the TEA Acquisition and borrowings under the Senior Credit Facility prior to October 31, 1997 at interest rates ranging from 8.0% to 11.0%.

(i) Reflects net increase in interest expense as a result of the issuance of the Notes in connection with the 1997 Refinancing at an interest rate on the Notes of 10.625% per annum. The adjustment also includes the elimination of $1,920 of nonrecurring financing fees charged to interest expense in September and October of 1997. Such fees related to an unfunded interim loan facility related to the Crown Merger and an unfunded revolving credit facility.

(j) Reflects additional dividends attributable to the Senior Convertible Preferred Stock prior to the dates of issuance.

(k) Reflects the historical results of operations of CTI (under U.S. GAAP) for the period. Such results have been translated from pounds sterling to U.S. dollars at the average Noon Buying Rate for the period.

(l) Reflects the elimination of management fees payable to CCIC from CTI.

(m) Reflects the incremental amortization of goodwill as a result of the Roll-Up. Goodwill is being amortized over twenty years.

(n) Reflects the elimination of equity accounting adjustments to include

CCIC's percentage in CTI's earnings and losses.

(o) Reflects the minority interest in dividends accrued on CTI's Redeemable Preference Shares.

(p) Reflects decrease in dividends attributable to the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.

(q) CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to $20.2 million in 1998, recognized upon completion of the Offering, and approximately $3.0 million per year thereafter through 2003.

(r) The weighted-average numbers of common shares outstanding during the periods for the basic and diluted computations are as follows (in thousands):

	YEAR ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
Historical CCIC	6,238	10,954
Adjustment for Acquisitions	4,705	--
Shares issued for the Roll-Up	32,208	32,208
Conversion of the Series A, Series B and Series C Convertible Preferred Stock to Shares of Common Stock	28,888	28,888
Pro Forma for Acquisitions and Roll-Up	72,039	72,050
Shares issued for the Senior Preferred Conversion	9,629	9,629
Shares issued for the Offering	27,500	27,500
Pro Forma	109,168	109,179

(s) Included in CTI's costs of operations for site rental and broadcast transmission, and in CTI's corporate development expenses, are non-cash compensation charges related to the issuance of stock options to certain employees and executives amounting to $1.4 million and $1.8 million, respectively, for the six months ended June 30, 1998.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 1998
(DOLLARS IN THOUSANDS)

	HISTORICAL					
	CCIC	CTI(A)	ADJUSTMENTS FOR ROLL-UP	PRO FORMA FOR ROLL-UP	ADJUSTMENTS FOR OFFERING	PRO FORMA
ASSETS:						
Current assets:						
Cash and cash equivalents..........	$ 51,258	$ 15,805	$ --	$ 67,063	$465,275(h)	$ 532,338
Receivables...........	11,540	19,329	(857)(b)	30,012	--	30,012
Inventories...........	1,233	3,327	--	4,560	--	4,560
Prepaid expenses and other current assets.................	1,350	--	--	1,350	--	1,350
Total current assets.............	65,381	38,461	(857)	102,985	465,275	568,260
Property and equipment, net....................	131,492	368,135	--	499,627	--	499,627
Investments in affiliates...................	61,432	--	(59,247)(c)	2,185	--	2,185
Goodwill and other intangible assets, net...	148,336	74,800	503,806 (d)	726,942	--	726,942
Deferred financing costs and other assets, net..	12,189	--	--	12,189	--	12,189
	$418,830	$481,396	$443,702	$1,343,928	$465,275	$1,809,203
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Current liabilities:						
Accounts payable......	$ 6,311	$ 21,996	$ --	$ 28,307	$ --	$ 28,307
Other current liabilities..........	3,226	33,428	(857)(b)	35,797	--	35,797
Long-term debt, current maturities......	--	--	--	--	--	--
Total current liabilities........	9,537	55,424	(857)	64,104	--	64,104
Long-term debt, less current maturities.....	216,869	248,387	--	465,256	--	465,256
Other liabilities.......	822	4,523	--	5,345	--	5,345
Total liabilities...	227,228	308,334	(857)	534,705	--	534,705
Minority interests......	--	--	37,882 (e)	37,882	--	37,882
Redeemable preferred stock..................	164,881	180,221	(273,022)(f)	72,080	(72,080)(i)	--
Stockholders' equity....	26,721	(7,159)	679,699 (g)	699,261	537,355 (j)	1,236,616
	$418,830	$481,396	$443,702	$1,343,928	$465,275	$1,809,203

See Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

(a) Reflects the historical amounts from CTI's consolidated balance sheet (under U.S. GAAP) as of June 30, 1998. Such amounts have been translated from pounds sterling to U.S. dollars at the Noon Buying Rate on June 30, 1998 of (Pounds)1.00 = $1.6695.

(b) Reflects the elimination of management fees payable to CCIC from CTI.

(c) Reflects (1) the increase in CCIC's equity investment in CTI resulting from the issuance of 20,867,700 shares of CCIC's Common Stock and 11,340,000 shares of CCIC's Class A Common Stock, with such shares recorded at the price per share to the public in the Offering, and (2) the elimination of CCIC's equity investment in CTI.

(d) Reflects the incremental goodwill as a result of the Roll-Up. The allocation of the purchase price for the Roll-Up did not result in adjustments to CTI's assets and liabilities other than goodwill and other intangible assets.

(e) Reflects the 20% minority interest in CTI's Redeemable Preference Shares based on the carrying value, including accrued and unpaid dividends, for those shares.

(f) Reflects (1) the elimination of CTI's Redeemable Preference Shares ($180,221) and (2) the conversion of the Series A, Series B and Series C Convertible Preferred Stock to shares of Common Stock ($92,801).

(g) Reflects the following adjustments to stockholders' equity:

(1) Increase resulting from the issuance of CCIC's Common Stock and Class A Common Stock in exchange for shares of CTI's capital stock	$579,739
(2) Increase resulting from the elimination of CTI's Ordinary Shares	7,159
(3) Increase resulting from the conversion of the Series A, Series B and Series C Convertible Preferred Stock to shares of Common Stock	92,801
Total adjustments to stockholders' equity	$679,699

(h) Reflects the following adjustments to cash and cash equivalents:

Increase resulting from the receipt of proceeds from the Offering	$495,000
Decrease resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the Offering	(29,725)
Total adjustments to cash and cash equivalents	$465,275

(i) Reflects the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.

(j) Reflects the following adjustments to stockholders' equity:

(1) Increase resulting from the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion	$ 72,080
(2) Increase resulting from the receipt of proceeds from the Offering	495,000
(3) Decrease resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the Offering	(29,725)
Total adjustments to stockholders' equity	$537,355

The following table summarizes the adjustments for the Roll-Up, with increases to liabilities and stockholders' equity balances shown as negative amounts:

	ADJUSTMENT REFERENCE				
	(B)	(C)(1), (G)(1)	(C)(2), (D), (E), (F)(1), (G)(2)	(F)(2)	TOTALS
Receivables	$(857)	$ --	$ --	$ --	$ (857)
Investments in affiliates	--	579,739	(638,986)	--	(59,247)
Goodwill and other intangible assets, net	--	--	503,806	--	503,806

Other current liabilities	857	--	--	--	857
Minority interests	--	--	(37,882)	--	(37,882)
Redeemable preferred stock	--	--	180,221	92,801	273,022
Stockholders' equity	--	(579,739)	(7,159)	(92,801)	(679,699)
	$ --	$ --	$ --	$ --	$ --

The following table summarizes the adjustments for the Offering, with increases to liabilities and stockholders' equity balances shown as negative amounts:

	ADJUSTMENT REFERENCE		
	(H), (J)(2), (J)(3)	(I), (J)(1)	TOTALS
Cash and cash equivalents	$ 465,275	$ --	$ 465,275
Redeemable preferred stock	--	72,080	72,080
Stockholders' equity	(465,275)	(72,080)	(537,355)
	$ --	$ --	$ --

SELECTED FINANCIAL AND OTHER DATA OF CCIC

The selected historical consolidated financial and other data for CCIC set forth below for each of the three years in the period ended December 31, 1997, and as of December 31, 1995, 1996 and 1997, have been derived from the consolidated financial statements of CCIC, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. The selected historical consolidated financial and other data for CCIC set forth below for the six months ended June 30, 1997 and 1998, and as of June 30, 1998, have been derived from the unaudited consolidated financial statements of CCIC, which include all adjustments that the Company considers necessary for a fair presentation of the financial position and results of operations for those periods. Operating results for the six months ended June 30, 1997 and 1998 are not necessarily indicative of the results that may be expected for the entire year. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CCIC" and the consolidated financial statements and the notes thereto of CCIC included elsewhere in this Prospectus.

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1995	1996	1997	1997	1998
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
STATEMENT OF OPERATIONS DATA:					
Net revenues:					
Site rental	$ 4,052	$ 5,615	$ 11,010	$ 3,341	$ 10,448
Network services and other	6	592	20,395	3,424	12,919
Total net revenues	4,058	6,207	31,405	6,765	23,367
Costs of operations:					
Site rental	1,226	1,292	2,213	605	2,418
Network services and other	--	8	13,137	2,171	7,155
Total costs of operations	1,226	1,300	15,350	2,776	9,573
General and administrative	729	1,678	6,824	1,491	8,768
Corporate development(a)	204	1,324	5,731	3,782	2,022
Depreciation and amortization	836	1,242	6,952	930	7,695
Operating income (loss)	1,063	663	(3,452)	(2,214)	(4,691)
Equity in earnings (losses) of unconsolidated affiliate	--	--	(1,138)	(221)	525
Interest and other income(b)	53	193	1,951	1,508	1,370
Interest expense and amortization of deferred financing costs	(1,137)	(1,803)	(9,254)	(1,196)	(10,027)
Income (loss) before income taxes	(21)	(947)	(11,893)	(2,123)	(12,823)
Provision for income taxes	--	(10)	(49)	(26)	(209)
Net income (loss)	(21)	(957)	(11,942)	(2,149)	(13,032)
Dividends on Senior Convertible Preferred Stock	--	--	(2,199)	--	(4,132)
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock	$ (21)	$ (957)	$ (14,141)	$(2,149)	$(17,164)
Loss per common share--basic and diluted	$ (.01)	$ (0.27)	$ (2.27)	$ (0.64)	$ (1.57)
Common shares outstanding--basic and diluted (in thousands)	3,316	3,503	6,238	3,381	10,954
OTHER DATA:					
Site data (at period end)(c):					
Towers owned	126	155	240		361
Towers managed	7	7	133		129
Rooftop sites managed (revenue producing)(d)	41	52	80		66
Total sites owned and managed	174	214	453		556
EBITDA(e)	$ 1,899	$ 1,905	$ 3,500	$(1,284)	$ 3,004
Capital expenditures	161	890	18,035	918	52,752
Summary cash flow					

information:					
Net cash provided by (used for) operating activities...	1,672	(530)	(624)	396	(1,972)
Net cash used for investing activities..................	(16,673)	(13,916)	(111,484)	(66,494)	(52,752)
Net cash provided by financing activities........	15,597	21,193	159,843	70,977	50,904
Ratio of earnings to fixed charges(f)..................	--	--	--	--	--
BALANCE SHEET DATA (AT PERIOD END):					
Cash and cash equivalents....	$ 596	$ 7,343	$ 55,078		$ 51,258
Property and equipment, net..	16,003	26,753	81,968		131,492
Total assets.................	19,875	41,226	371,391		418,830
Total debt...................	11,182	22,052	156,293		216,869
Redeemable preferred stock(g)....................	5,175	15,550	160,749		164,881
Total stockholders' equity (deficit)..................	619	(210)	41,792		26,721

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(a) Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of allocated compensation, benefits and overhead costs that are not directly related to the administration or management of existing towers. For the year ended December 31, 1997, includes (i) nonrecurring cash bonuses of $0.9 million paid to certain executive officers in connection with the CTI Investment and (ii) a nonrecurring cash charge of $1.3 million related to the purchase by CCIC of shares of Common Stock from CCIC's former chief executive officer in connection with the CTI Investment. See "Certain Relationships and Related Transactions". CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to $20.2 million in 1998, recognized upon completion of the Offering, and approximately $3.0 million per year thereafter through 2003.

(b) Includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI in connection with the CTI Investment.

(c) Represents the aggregate number of sites of CCIC as of the end of each period.

(d) As of June 30, 1998, CCIC had contracts with 1,283 buildings to manage on behalf of such buildings the leasing of space for antenna on the rooftops of such buildings. A revenue producing rooftop represents a rooftop where CCIC has arranged a lease of space on such rooftop and, as such, is receiving payments in respect of its management contract. CCIC generally does not receive any payment for rooftops under management unless CCIC actually leases space on such rooftops to third parties. As of June 30, 1998, CCIC had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers.

(e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CCIC's ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, CCIC's measure of EBITDA may not be comparable to similarly titled measures of other companies.

(f) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes, fixed charges and equity in earnings (losses) of unconsolidated affiliate. Fixed charges consist of interest expense, the interest component of operating leases and amortization of deferred financing costs. For the years ended December 31, 1995, 1996 and 1997 and the six months ended June 30, 1997 and 1998, earnings were insufficient to cover fixed charges by $21,000, $0.9 million, $10.8 million, $1.9 million and $13.3 million, respectively.

(g) Represents (i) the Senior Convertible Preferred Stock privately placed by CCIC in August 1997 and October 1997, all of which has been converted into shares of Common Stock, and (ii) the Series A Convertible Preferred Stock, the Series B Convertible Preferred Stock and the Series C Convertible Preferred Stock privately placed by CCIC in April 1995, July 1996 and February 1997, respectively, all of which will be converted into shares of Common Stock in connection with the Offering.

SELECTED FINANCIAL AND OTHER DATA OF CROWN

The selected historical combined financial data for Crown presented below for each of the two years in the period ended December 31, 1996 and the seven months ended July 31, 1997, have been derived from the combined financial statements of Crown, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. Crown was acquired by CCIC in the Crown Merger in August 1997 and, as a result, twelve-month historical financial data for Crown is not presented. The information set forth below should be read in conjunction with the combined financial statements and the notes thereto of Crown included elsewhere in this Prospectus.

	YEARS ENDED DECEMBER 31, 1995	YEARS ENDED DECEMBER 31, 1996	SEVEN MONTHS ENDED JULY 31, 1997
	(DOLLARS IN THOUSANDS)		
STATEMENT OF OPERATIONS DATA:			
Net revenues:			
Site rental	$ 3,632	$ 5,120	$ 4,550
Network services and other	7,384	14,260	13,137
Total net revenues	11,016	19,380	17,687
Costs of operations:			
Site rental	763	1,691	1,421
Network services and other	3,944	8,632	5,841
Total costs of operations	4,707	10,323	7,262
General and administrative	2,625	3,150	3,761
Depreciation and amortization	568	1,168	1,006
Operating income	3,116	4,739	5,658
Interest and other income (expense)	19	(53)	(26)
Interest expense	(785)	(1,175)	(925)
Income before income taxes	2,350	3,511	4,707
Provision for income taxes	--	--	--
Net income	$ 2,350	$ 3,511	$ 4,707
OTHER DATA:			
Site data (at period end)(a):			
Towers owned	45	53	61
Towers managed	122	127	127
Rooftop sites managed (revenue producing)	9	16	20
Total sites owned and managed	176	196	208
EBITDA(b):			
Site rental	$ 2,589	$ 3,098	$ 2,943
Network services and other	1,095	2,809	3,721
Total EBITDA	$ 3,684	$ 5,907	$ 6,664
EBITDA as a percentage of net revenues(b):			
Site rental	71.3%	60.5%	64.7%
Network services and other	14.8	19.7	28.3
Total EBITDA as a percentage of net revenues	33.4	30.5	37.7
Capital expenditures	$ 5,670	$ 8,658	$12,425
Summary cash flow information:			
Net cash provided by operating activities	2,974	4,162	5,199
Net cash used for investing activities	(5,670)	(8,652)	(12,425)
Net cash provided by financing activities	2,367	4,100	7,018

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(a) Represents the aggregate number of sites of Crown as of the end of each period.

(b) EBITDA is defined as operating income plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of a company's ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, Crown's measure of EBITDA may not be comparable to similarly titled measures of other companies.

SELECTED FINANCIAL AND OTHER DATA OF CTI

The selected historical financial data for CTI, which was 34.3% owned by CCIC prior to the Roll-Up, presents (i) selected historical financial data of the BBC Home Service Transmission Business prior to its acquisition by CTI (the "Predecessor") for the year ended March 31, 1996 and the eleven and two months ended February 27, 1997, (ii) selected historical consolidated financial data of CTI after such acquisition for the one month ended March 31, 1997, for the three months ended June 30, 1997 and for the nine months ended December 31, 1997, and (iii) selected historical consolidated financial data of CTI as of and for the six months ended June 30, 1998. The selected historical financial data for the year ended March 31, 1996 and the eleven months ended February 27, 1997 have been derived from the financial statements of the Predecessor, which have been audited by KPMG, Chartered Accountants. The selected financial data for the one month ended March 31, 1997 and the nine months ended December 31, 1997 have been derived from the consolidated financial statements of CTI, which have been audited by KPMG, Chartered Accountants. The selected historical financial data for the two months ended February 27, 1997 have been derived from the unaudited financial statements of the Predecessor, and the selected historical financial data for the three months ended June 30, 1997 and as of and for the six months ended June 30, 1998 have been derived from the unaudited consolidated financial statements of CTI, which include all adjustments that CTI considers necessary for a fair presentation of the financial position and results of operations for that period. The results of operations for the one month ended March 31, 1997, the three months ended June 30, 1997, the nine months ended December 31, 1997 and the six months ended June 30, 1998 are not necessarily indicative of the results of operations of CTI that may be expected for the entire year. This information reflects financial data for CTI as a whole, is not limited to that portion of the financial data attributable to CCIC's percentage ownership of CTI prior to the Roll-Up and is not indicative of any distributions or dividends that CCIC might receive in the future. CTI is subject to significant restrictions on its ability to make dividends and distributions to CCIC. See "Risk Factors--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends". The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CTI" and the consolidated financial statements and the notes thereto of CTI included elsewhere in this Prospectus.

	PREDECESSOR COMPANY			CTI		
	YEAR ENDED MARCH 31, 1996	ELEVEN MONTHS ENDED FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	ONE MONTH ENDED MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	NINE MONTHS ENDED DECEMBER 31, 1997
	(POUNDS STERLING IN THOUSANDS)					
STATEMENT OF OPERATIONS DATA:						
Net revenues....	(Pounds) 70,367	(Pounds) 70,614	(Pounds)12,805	(Pounds) 6,433	(Pounds)18,611	(Pounds) 56,752
Operating expenses(b)....	62,582	56,612	10,108	5,188	15,842	47,976
Operating income.........	7,785	14,002	2,697	1,245	2,769	8,776
Interest and other income...	--	--	--	49	119	288
Interest expense and amortization of deferred financing costs..........	--	--	--	(969)	(5,400)	(12,419)
Income (loss) before income taxes..........	7,785	14,002	2,697	325	(2,512)	(3,355)
Provision for income taxes...	--	--	--	--	--	--
Net income (loss) under U.K. GAAP......	7,785	14,002	2,697	325	(2,512)	(3,355)
Adjustments to convert to U.S. GAAP...........	3,707	3,993	726	78	221	866
Net income (loss) under U.S. GAAP......	(Pounds) 11,492	(Pounds) 17,995	(Pounds) 3,423	(Pounds) 403	(Pounds)(2,291)	(Pounds) (2,489)
OTHER DATA:						
EBITDA (under U.S. GAAP)(c)..	(Pounds) 20,620	(Pounds) 27,040	(Pounds) 5,161	(Pounds) 3,064	(Pounds) 8,302	(Pounds) 25,695
Capital expenditures						

(under U.S. GAAP)..........	18,079	21,810	711	748	3,906	14,361
Summary cash flow information (under U.S. GAAP):						
Net cash provided by operating activities.....	24,311	28,146	5,161	4,871	7,169	25,555
Net cash used for investing activities.....	(17,190)	(21,811)	(711)	(52,889)	(4,114)	(14,668)
Net cash provided by (used for) financing activities.....	(7,121)	(6,335)	(4,450)	57,706	(6,792)	(12,423)

	CTI			
	SIX MONTHS ENDED JUNE 30, 1998	ONE MONTH ENDED MARCH 31, 1997(A)	NINE MONTHS ENDED DECEMBER 31, 1997(A)	SIX MONTHS ENDED JUNE 30, 1998(A)
	(DOLLARS IN THOUSANDS)			
STATEMENT OF OPERATIONS DATA:				
Net revenues....	(Pounds)43,516	$ 10,740	$ 94,746	$ 72,650
Operating expenses(b)....	36,811	8,661	80,096	61,456
Operating income.........	6,705	2,079	14,650	11,194
Interest and other income...	348	82	481	581
Interest expense and amortization of deferred financing costs..........	(7,063)	(1,618)	(20,734)	(11,792)
Income (loss) before income taxes..........	(10)	543	(5,603)	(17)
Provision for income taxes...	--	--	--	--
Net income (loss) under U.K. GAAP......	(10)	543	(5,603)	(17)
Adjustments to convert to U.S. GAAP...........	924	130	1,388	1,543
Net income (loss) under U.S. GAAP......	(Pounds) 914	$ 673	$ (4,215)	$ 1,526
OTHER DATA:				
EBITDA (under U.S. GAAP)(c)..	(Pounds)18,471	$ 5,116	$ 42,887	$ 30,837
Capital expenditures (under U.S. GAAP)..........	23,083	1,249	23,976	38,537
Summary cash flow information (under U.S. GAAP):				
Net cash provided by operating activities.....	19,294	8,132	42,664	32,211
Net cash used for investing activities.....	(22,522)	(88,298)	(24,488)	(37,600)
Net cash provided by (used for) financing activities.....	4,543	96,340	(20,740)	7,585

	AS OF JUNE 30, 1998 (POUNDS STERLING IN THOUSANDS)	AS OF JUNE 30, 1998 (DOLLARS IN THOUSANDS)
BALANCE SHEET DATA (under U.S. GAAP):		
Cash and cash equivalents............	(Pounds)9,467	$ 15,805
Property and equipment, net..........	220,506	368,135
Total assets.........................	288,348	481,397
Total debt...........................	148,779	248,387
Redeemable preference shares.........	107,949	180,221
Ordinary shareholders' equity (deficit)............................	(4,288)	(7,159)

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(a) CTI publishes its consolidated financial statements in pounds sterling. For the convenience of the reader, the information set forth above contains translations of pound sterling amounts into U.S. dollars at the Noon Buying Rate on June 30, 1998, of (Pounds)1.00 = $1.6695. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rate indicated or any other rates. On July 31, 1998, the Noon Buying Rate was (Pounds)1.00 = $1.6388.

(b) Included in operating expenses for the six months ended June 30, 1998 are non-cash compensation charges for (Pounds)1.9 million ($3.2 million) related to the issuance of stock options to certain executives and employees.

(c) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CTI's ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, CTI's measure of EBITDA may not be comparable to similarly titled measures of other companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion sets forth separately the historical consolidated results of operations of CCIC and CTI and is intended to assist in understanding (i) CCIC's consolidated financial condition as of June 30, 1998 and its consolidated results of operations for the six-month periods ended June 30, 1997 and 1998 and for each year in the three-year period ended December 31, 1997 and (ii) CTI's consolidated results of operations for the three-month periods ended June 30, 1997 and 1998 and for each twelve-month period in the two-year period ended March 31, 1998. The statements in this discussion regarding the industry outlook, the Company's expectations regarding the future performance of its businesses, and the other nonhistorical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the uncertainties relating to capital expenditures decisions to be made in the future by wireless communications carriers and broadcasters and the risks and uncertainties described in "Risk Factors". This discussion should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Statements", "Selected Financial and Other Data of CCIC", "Selected Financial and Other Data of Crown", "Selected Financial and Other Data of CTI" and the consolidated financial statements and the notes thereto included elsewhere in this Prospectus. Results of operations of the acquired businesses which are wholly owned are included in the Company's consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, the Company's results of operations for the six months ended June 30, 1997 are not comparable to the results of operations for the six months ended June 30, 1998, and the results for the year ended December 31, 1996 are not comparable to the year ended December 31, 1997.

OVERVIEW

Following consummation of the Roll-Up, the continued growth of the Company's business will depend substantially on the condition of the wireless communications and broadcast industries. The Company believes that the demand for communications sites will continue to grow and expects that, due to increased competition, wireless communications carriers will continue to seek operating and capital efficiencies by (i) outsourcing certain network services and the build-out and operation of new and existing infrastructure and (ii) co-locating antennas and transmission equipment on multiple tenant towers. In addition, the Company expects that, in order to free up capital for the growth and management of their customer bases and expansion of their service offerings, wireless communications carriers have begun to seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers, such as the Company, that have the ability to manage networks.

Further, the Company believes that wireless communications carriers and broadcasters ultimately will seek to outsource the operation of their towers and transmission networks, including the transmission of their signals. Management believes that the Company's ability to manage towers and transmission networks and its proven track record of providing end-to-end services to the wireless communications and broadcasting industries position it to capture such business.

The willingness of wireless communications carriers to utilize the Company's infrastructure and related services is affected by numerous factors, including consumer demand for wireless services, interest rates, cost of capital, availability of capital to wireless carriers, tax policies, willingness to co-locate equipment, local restrictions on the proliferation of towers, cost of building towers and technological changes affecting the number of communications sites needed to provide wireless communications services to a given geographic area. The Company's revenues that are derived from the provision of transmission services to the broadcasting industry will be affected by the timing of the commencement of digital terrestrial television broadcasts in both the United Kingdom and the United States, as well as in other countries around the world, consumer demand for digital terrestrial broadcasting, interest rates, cost of capital to broadcasters, zoning restrictions on tall towers and the cost of building towers.

As an important part of its business strategy, the Company will continue (i) to take advantage of the operating leverage of its site rental business by increasing the antenna space leased on its owned or managed communications sites, (ii) to leverage its in-house technical and operational expertise, (iii) to expand its tower footprints by partnering with wireless communications carriers to assume ownership of their existing towers and by pursuing build-to-suit opportunities and (iv) to acquire existing transmission networks globally as opportunities arise.

RESULTS OF OPERATIONS

CCIC

CCIC's primary sources of revenues are from (i) the rental of antenna space on towers and rooftop sites and (ii) the provision of network services, which includes network design and site selection, site acquisition, site development and construction and antenna installation.

Site rental revenues are received primarily from wireless communications companies, including cellular, PCS, paging, specialized mobile radio/enhanced specialized mobile radio ("SMR/ESMR") and microwave operators. Site rental revenues are generally recognized on a monthly basis under lease agreements, which typically have original terms of five years (with three or four optional renewal periods of five years each). Average monthly site rental revenues per owned site as of December 31, 1997 were approximately $3,000 for the towers located in the southwestern United States, $7,000 for the towers in Puerto Rico, $12,500 for the towers in and around the greater Pittsburgh area, and $2,000 for CCIC's other revenue producing towers. Average revenues for CCIC's managed rooftop sites are less than for the owned and managed towers because a substantial portion of the revenues from the tenants at rooftop sites is remitted to the building owner or manager.

Network services revenues consist of revenues from (i) network design and site selection, (ii) site acquisition, (iii) site development and construction, (iv) antenna installation and (v) other services. Network services revenues are received primarily from wireless communications companies. Network services revenues are recognized under service contracts which provide for billings on either a fixed price basis or a time and materials basis. Demand for CCIC's network services fluctuates from period to period and within periods. See "Risk Factors--Variability in Demand for Network Services". Consequently, the operating results of CCIC's network services businesses for any particular period may vary significantly, and should not be considered as indicative of longer-term results. CCIC also derives revenues from the ownership and operation of microwave radio and SMR networks in Puerto Rico where CCIC owns radio wave spectrum in the 2,000 MHz and 6,000 MHz range (for microwave radio) and the 800 MHz range (for SMR). These revenues are generally recognized under monthly management or service agreements. Average monthly revenues as of December 31, 1997 from SMR and microwave services were approximately $77,000 and $12,000, respectively.

Costs of operations for site rental primarily consist of land leases, repairs and maintenance, utilities, insurance, property taxes and monitoring costs and, in the case of managed sites, rental payments. For any given tower, such costs are relatively fixed over a monthly or an annual time period. As such, operating costs for owned towers do not generally increase significantly as additional customers are added. However, rental expenses at certain managed towers increase as additional customer antennas are added, resulting in higher incremental revenues but lower incremental margins than on owned towers. Costs of operations for network services consist primarily of employee compensation and related benefits costs, subcontractor services, consulting fees, and other on-site construction and materials costs. CCIC incurs these network services costs (i) to support its internal operations, including construction and maintenance of its owned towers, and (ii) to maintain the employees necessary to provide end-to-end services to third parties regardless of the level of such business at any time. The Company believes that its experienced staff enables it to provide the type of end-to-end services that enhance its ability to acquire access to the infrastructure of wireless communications carriers and to attract significant build-to-suit contracts.

General and administrative expenses consist primarily of employee compensation and related benefits costs, advertising, professional and consulting fees, office rent and related expenses and travel costs. Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of allocated compensation, benefits and overhead costs that are not directly related to the administration or management of existing towers.

Depreciation and amortization charges relate to CCIC's property and equipment (primarily towers, construction equipment and vehicles), goodwill and other intangible assets recorded in connection with business acquisitions. Depreciation of towers and amortization of goodwill are computed with a useful life of 20 years. Amortization of other intangible assets (principally the value of existing site rental contracts at Crown) is computed with a useful life of 10 years. Depreciation of construction equipment and vehicles are generally computed with useful lives of 10 years and 5 years, respectively.

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

	YEAR ENDED DECEMBER 31, 1995		YEAR ENDED DECEMBER 31, 1996		YEAR ENDED DECEMBER 31, 1997		SIX MONTHS ENDED JUNE 30, 1997		SIX MONTHS ENDED JUNE 30, 1998	
	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES
	(DOLLARS IN THOUSANDS)									
Net revenues:										
Site rental...........	$ 4,052	99.9%	$ 5,615	90.5%	$ 11,010	35.1%	$ 3,341	49.4%	$ 10,448	44.7%
Network services and other................	6	0.1	592	9.5	20,395	64.9	3,424	50.6	12,919	55.3
Total net revenues....	4,058	100.0	6,207	100.0	31,405	100.0	6,765	100.0	23,367	100.0
Operating expenses:										
Costs of operations:										
Site rental...........	1,226	30.3	1,292	23.0	2,213	20.1	605	18.1	2,418	23.1
Network services and other................	--	--	8	1.4	13,137	64.4	2,171	63.4	7,155	55.4
Total costs of operations...............	1,226	30.2	1,300	21.0	15,350	48.9	2,776	41.0	9,573	41.0
General and administrative.............	729	18.0	1,678	27.0	6,824	21.7	1,491	22.0	8,768	37.5
Corporate development.................	204	5.0	1,324	21.3	5,731	18.3	3,782	55.9	2,022	8.7
Depreciation and amortization............	836	20.6	1,242	20.0	6,952	22.1	930	13.8	7,695	32.9
Operating income (loss)................	1,063	26.2	663	10.7	(3,452)	(11.0)	(2,214)	(32.7)	(4,691)	(20.1)
Other income (expense):										
Equity in earnings (losses) of unconsolidated affiliate............	--	--	--	--	(1,138)	(3.6)	(221)	(3.3)	525	2.2
Interest and other income.................	53	1.3	193	3.1	1,951	6.2	1,508	22.3	1,370	5.9
Interest expense and amortization of deferred financing costs................	(1,137)	(28.0)	(1,803)	(29.0)	(9,254)	(29.5)	(1,196)	(17.7)	(10,027)	(42.9)
Loss before income taxes.....................	(21)	(0.5)	(947)	(15.2)	(11,893)	(37.9)	(2,123)	(31.4)	(12,823)	(54.9)
Provision for income taxes.................	--	--	(10)	(0.2)	(49)	(0.1)	(26)	(0.4)	(209)	(0.9)
Net loss..............	$ (21)	(0.5)%	$ (957)	(15.4)%	$(11,942)	(38.0)%	$(2,149)	(31.8)%	$(13,032)	(55.8)%

Comparison of Six Months Ended June 30, 1998 and 1997

Consolidated revenues for the six months ended June 30, 1998 were $23.4 million, an increase of $16.6 million from the six months ended June 30, 1997. This increase was primarily attributable to (i) a $7.1 million, or 212.7%, increase in site rental revenues which was primarily attributable to the Crown operations; (ii) $0.9 million in network services revenues from TEA; and (iii) $6.8 million in network services revenues from the Crown operations.

Costs of operations for the six months ended June 30, 1998 were $9.6 million, an increase of $6.8 million from the six months ended June 30, 1997. This increase was primarily attributable to (i) $0.4 million of network services costs related to the TEA operations; (ii) $3.7 million of network services costs related to the Crown operations; and (iii) $1.8 million in site rental costs attributable to the Crown operations. Costs of operations for site rental as a percentage of site rental revenues increased to 23.1% for the six months ended June 30, 1998 from 18.1% for the six months ended June 30, 1997 because of higher costs attributable to the Crown operations. Costs of operations for network services as a percentage of network services revenues decreased to 55.4% for the six months ended June 30, 1998 from 63.4% for the six months ended June 30, 1997, reflecting higher margins that are inherent in the network services business acquired with the Crown operations in August 1997 as compared to that acquired with the TEA operations in May 1997.

General and administrative expenses for the six months ended June 30, 1998 were $8.8 million, an increase of $7.3 million from the six months ended June 30, 1997. This increase was primarily attributable to $4.9 million of expenses related to the Crown operations and $0.8 million of expenses related to the TEA operations, along with an increase in costs of $1.3 million at the Company's corporate office. General and administrative expenses as a percentage of revenues increased for the six months ended June 30, 1998 to 37.5% from 22.0% for the six months ended June 30, 1997 because of higher overhead costs as a percentage of revenues for Crown and the increase in costs at CCIC's corporate office.

Corporate development expenses for the six months ended June 30, 1998 were $2.0 million, a decrease of $1.8 million from the six months ended June 30, 1997. Corporate development expenses for the six months ended June 30, 1997 include nonrecurring compensation charges associated with the CTI Investment of (i) $0.9 million for certain executive bonuses and (ii) the repurchase of shares of CCIC's common stock from a member of its Board of Directors, which resulted in compensation charges of $1.3 million. Corporate development expenses for the six months ended June 30, 1998 include discretionary bonuses related to CCIC's performance totaling approximately $0.8 million for certain members of CCIC's management. CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to $20.2 million in 1998, recognized upon completion of the Offering, and approximately $3.0 million per year thereafter through 2003. See "--Compensation Charges Related to Stock Option Grants".

Depreciation and amortization for the six months ended June 30, 1998 was $7.7 million, an increase of $6.8 million from the six months ended June 30, 1997. This increase was primarily attributable to (i) $6.2 million of depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown Merger; and (ii) $0.3 million of depreciation and amortization related to the property and equipment and goodwill acquired in the TEA and TeleStructures Acquisitions.

The equity in earnings (losses) of unconsolidated affiliate represents CCIC's 34.3% share of CTI's net earnings (losses) for the periods beginning in March 1997. For the six months ended June 30, 1998, after making appropriate adjustments to CTI's results of operations for such period to conform to generally accepted accounting principles of the United States, CTI had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net income of $71.8 million, $11.2 million, $10.3 million and $1.5 million, respectively. Included in CTI's results of operations for such period are noncash compensation charges for approximately $3.2 million related to the issuance of stock options to certain members of CTI's management. If successful, the consummation of a share exchange agreement with certain shareholders of CTI would accelerate the vesting of certain options granted to CTI's management and employees, resulting in additional noncash compensation charges of approximately $0.7 million.

Interest and other income for the six months ended June 30, 1997 includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI. Interest income for the six months ended June 30, 1998 resulted primarily from the investment of excess proceeds from the sale of CCIC's 10 5/8% Senior Discount Notes due 2007 in November 1997.

Interest expense and amortization of deferred financing costs for the six months ended June 30, 1998 was $10.0 million, an increase of $8.8 million, or 738.4%, from the six months ended June 30, 1997. This increase was primarily attributable to amortization of the original issue discount on the Notes.

Comparison of Years Ended December 31, 1997 and 1996

Consolidated revenues for 1997 were $31.4 million, an increase of $25.2 million from 1996. This increase was primarily attributable to (i) a $5.4 million, or 96.1%, increase in site rental revenues, of which $4.2 million was attributable to the Crown operations and $0.7 million was attributable to the Puerto Rico operations; (ii) $10.4 million in network services revenues from TEA; and (iii) $7.2 million in network services revenues from the Crown operations. The remainder of the increase was largely attributable to higher revenues from SMR and microwave radio services in Puerto Rico and the monthly service fees received from CTI beginning in March 1997.

Costs of operations for 1997 were $15.4 million, an increase of $14.1 million from 1996. This increase was primarily attributable to (i) $8.5 million of network services costs related to the TEA operations; (ii) $3.9 million of network services costs related to the Crown operations; and (iii) $0.9 million in site rental costs attributable to the Crown operations. Costs of operations for site rental as a percentage of site rental revenues decreased to 20.1% for 1997 from 23.0% for 1996 because of increased utilization of the towers located in the southwestern United States and Puerto Rico. Costs of operations for network services as a percentage of network services revenues were 64.4% for 1997, reflecting lower margins that are inherent in the network services businesses acquired in 1997.

General and administrative expenses for 1997 were $6.8 million, an increase of $5.1 million from 1996. This increase was primarily attributable to $3.0 million of expenses related to the Crown operations and $1.4 million of expenses related to the TEA operations, along with an increase in costs of $0.2 million at CCIC's corporate office. General and administrative expenses as a percentage of revenues decreased for 1997 to 21.7% from 27.0% for 1996 because of lower overhead costs as a percentage of revenues for Crown and TEA.

Corporate development expenses for 1997 were $5.7 million, an increase of $4.4 million from 1996. A substantial portion of this increase was attributable to nonrecurring compensation charges associated with the CTI Investment of (i) $0.9 million for certain executive bonuses and (ii) the repurchase of shares of CCIC's common stock from a member of its Board of Directors, which resulted in compensation charges of $1.3 million. The remaining $2.2 million of the increase in corporate development expenses was attributable to a higher allocation of personnel costs, along with an overall increase in such costs, associated with an increase in acquisition and business development activities.

Depreciation and amortization for 1997 was $7.0 million, an increase of $5.7 million from 1996. This increase was primarily attributable to (i) $4.7 million of depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown Merger; (ii) $0.5 million of depreciation and amortization related to the property and equipment and goodwill acquired in the TEA and TeleStructures Acquisitions; and (iii) $0.3 million resulting from twelve months of depreciation related to the property and equipment acquired in the Puerto Rico Acquisition.

The equity in losses of unconsolidated affiliate of $1.1 million represents CCIC's 34.3% share of CTI's net loss for the period from March through December 1997. After making appropriate adjustments to CTI's results of operations for such period to conform to generally accepted accounting principles of the United States, CTI had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net losses of $103.5 million, $16.5 million, $20.4 million and $3.3 million, respectively.

Interest and other income for 1997 includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI, the impact on earnings of which was partially offset by certain executive bonuses related to the CTI Investment and included in corporate development expenses. Interest income for 1997 resulted primarily from the investment of excess proceeds from the sale of CCIC's Series C Convertible Preferred Stock in February 1997.

Interest expense and amortization of deferred financing costs for 1997 was $9.3 million, an increase of $7.5 million, or 413.3%, from 1996. This increase was primarily attributable to (i) commitment fees related to an unfunded interim loan facility related to the Crown Merger and an unfunded revolving credit facility; (ii) interest on notes payable to the former stockholders of Crown for a portion of the purchase price of the Crown Business; (iii) amortization of the original issue discount on the Notes; (iv) interest and fees associated with borrowings under CCIC's bank credit facility which were used to finance the Crown Merger on an interim basis; (v) interest on outstanding borrowings assumed in connection with the Crown Merger; and (vi) interest on borrowings under CCIC's bank credit facility which were used to finance the acquisition of the Puerto Rico System.

Comparison of Years Ended December 31, 1996 and 1995

Consolidated revenues for 1996 were $6.2 million, an increase of $2.1 million, or 53.0%, from 1995. This increase was primarily attributable to (i) $0.6 million in site rental revenues attributable to the Puerto Rico operations; (ii) $0.6 million in site rental revenues resulting from the effect of a full year's activity for the operations of Spectrum (which was acquired in October 1995); (iii) an increase in site rental revenues of $0.3 million, or 6.9%, from the towers acquired from PCI; and (iv) $0.5 million in SMR and microwave radio services revenues attributable to the Puerto Rico operations.

Costs of operations for 1996 were $1.3 million, an increase of $0.1 million, or 6.0%, from 1995. Additional costs in 1996 of $0.3 million attributable to the Puerto Rico operations were largely offset by decreased costs of $0.2 million associated with the towers acquired from PCI. Such towers were managed by PCI during 1995 under an agreement with CCIC, and the management fees charged to CCIC amounted to $0.6 million. CCIC began managing the towers on January 1, 1996. As a result of these factors, costs of operations as a percentage of revenues decreased to 21.0% in 1996 from 30.2% in 1995.

General and administrative expenses for 1996 were $1.7 million, an increase of $0.9 million from 1995. This increase was primarily attributable to costs of $0.5 million and $0.1 million associated with the Spectrum and Puerto Rico Acquisitions, respectively, along with an increase in costs of $0.3 million, or 41.7%, at CCIC's corporate office. General and administrative expenses at CCIC's corporate office increased because of additional personnel costs and higher overhead resulting from CCIC's internal management of the PCI towers beginning in 1996. As a result of these factors, general and administrative expenses as a percentage of revenues increased to 27.0% in 1996 from 18.0% in 1995.

Corporate development expenses for 1996 were $1.3 million, an increase of $1.1 million from 1995. This increase was primarily attributable to a higher allocation of personnel costs, along with an overall increase in such costs associated with an increase in acquisition and business development activities during the last half of 1996.

Depreciation and amortization for 1996 was $1.2 million, an increase of $0.4 million from 1995. This increase was primarily associated with depreciation associated with towers purchased in the Puerto Rico Acquisition and goodwill created in the Spectrum Acquisition.

Interest and other income for 1996 was $0.2 million, an increase of $0.1 million from 1995, primarily resulting from the investment of excess proceeds from the sale of CCIC's Series B Convertible Preferred Stock in July 1996. Interest expense and amortization of deferred financing costs for 1996 were $1.8 million, an increase of $0.7 million, or 58.6%, from 1995, primarily resulting from borrowings under CCIC's bank credit agreement which were used to finance the Puerto Rico Acquisition.

CTI

CTI's primary sources of revenues are from (i) the provision of analog and digital broadcast transmission services to the BBC and commercial broadcasters, (ii) the rental of antenna space on towers and (iii) the provision of network services, which includes broadcast consulting, network design and site selection, site acquisition, site development and antenna installation and site management and other services.

Broadcast transmission services revenues are received for both analog and digital transmission services. Monthly analog transmission revenues of approximately $6.9 million (as of June 30, 1998) are received from the BBC under a contract with an initial 10-year term through March 31, 2007. Additional monthly analog revenues of $0.1 million per station (as of June 30, 1998) are received from two national commercial radio stations under contracts with eight year terms that commenced on March 31, 1993 and February 4, 1995, respectively. Digital transmission services revenues from the BBC and BDB are recognized under contracts with initial terms of 12 years from the date on which the Company commences digital terrestrial transmission services for the BBC and BDB, respectively. Monthly revenues from these digital transmission contracts increase over time as the network rollout progresses, with monthly revenues as of June 30, 1998 of approximately $0.5 million and $0.4 million from the BBC and BDB, respectively. See "Business--U.K. Operations--Significant Contracts".

Site rental revenues are received from other broadcast transmission service providers (primarily NTL) and wireless communications companies, including all four U.K. cellular operators (Cellnet, Vodafone, One2One and Orange). Currently, approximately 200 companies rent space on approximately 405 of CTI's 808 towers and rooftops. Site rental revenues are generally recognized on a monthly basis under lease agreements with original terms of three to twelve years. Such lease agreements generally require annual payments in advance, and include rental rate adjustment provisions between one and three years from the commencement of the lease. Monthly revenues from CTI's largest site rental customer, NTL, were (Pounds)551,000 ($923,752) as of June 30, 1998. Site rental revenues are expected to become an increasing portion of CTI's total U.K. revenue base, and the Company believes that the demand for site rental from communication service providers will increase in line with the expected growth of these communication services in the United Kingdom.

Network services revenues consist of (i) network design and site selection, site acquisition, site development and antenna installation (collectively, "network design and development") and (ii) site management and other services. Network design and development services are provided to (i) a number of broadcasting and related organizations, both in the United Kingdom and other countries; (ii) all four U.K. cellular operators; and (iii) a number of other wireless communications companies, including Dolphin and Highway One. These services are usually subject to a competitive bid, although a significant proportion result from an operator coming onto an existing CTI site. Revenues from such services are recognized on either a fixed price or a time and materials basis. Site management and other services, consisting of both network monitoring and equipment maintenance, are carried out in the United Kingdom for a number of emergency service organizations. Revenues for such services are received under contracts with original terms of between three and five years. They provide for fixed prices with respect to network monitoring and variable pricing dependent on the level of equipment maintenance carried out in a given period.

Costs of operations for broadcast transmission services consist primarily of employee compensation and related benefits costs, utilities, rental payments under the Site-Sharing Agreement with NTL, circuit costs and repairs and maintenance on both transmission equipment and structures.

Site rental operating costs consist primarily of employee compensation and related benefits costs, utilities and repairs and maintenance. The majority of such costs are relatively fixed in nature, with increases in revenue from new installations on existing sites generally being achieved without a corresponding increase in costs.

Costs of operations for network services consist primarily of employee compensation and related benefits costs and on-site construction and materials costs.

General and administrative expenses consist primarily of office occupancy and related expenses, travel costs, professional and consulting fees, advertising, insurance and employee training and recruitment costs. Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of external professional fees related to specific activities and allocated compensation, benefits and overhead costs that are not directly related to the administration or management of CTI's existing lines of business.

Depreciation and amortization charges relate to CTI's property and equipment (primarily towers, broadcast transmission equipment and associated buildings) and goodwill recorded in connection with the acquisition of the Home Service Transmission business from the BBC (the "BBC Home Service Transmission Business"). Depreciation of towers is computed with useful lives of 20 to 25 years; depreciation of broadcast transmission equipment is computed with a useful life of 20 years; and depreciation of buildings is computed with useful lives ranging from 20 to 50 years. Amortization of goodwill is computed with a useful life of 20 years.

The following information is derived from the Consolidated Profit and Loss Accounts of (i) CTI for periods subsequent to February 28, 1997 (the date of inception of CTI's operations) and (ii) the BBC Home Service Transmission Business for periods prior to that date. For purposes of the following discussion, CTI's results for the month ended March 31, 1997 have been combined with the results of the BBC Home Service Transmission Business for the eleven months ended February 27, 1997, and CTI's results for the nine months ended December 31, 1997 have been combined with its results for the three months ended March 31, 1998. The following discussion presents an analysis of such combined results for the twelve-month periods ended March 31, 1998 and 1997, as well as an analysis of results for the three-month periods ended June 30, 1997 and 1998. Results for CTI are not comparable to results from the BBC Home Service Transmission Business due to differences in the carrying amounts of property and equipment and goodwill. As of December 31, 1997, CTI changed its fiscal year end for financial reporting purposes from March 31 to December 31; as such, the results for the three months ended March 31, 1998 and the three months ended June 30, 1997 and 1998 are unaudited.

CTI uses the U.K. pound sterling as the functional currency for its operations. The following amounts have been translated to U.S. dollars using the average Noon Buying Rate for each period. The average exchange rates for such periods ranged from (Pounds)1.00 = $1.5841 to (Pounds)1.00 = $1.6605. In addition, the following amounts reflect certain adjustments to present the results of operations in accordance with generally accepted accounting principles ("GAAP") of the U.S. For the results of the BBC Home Service Transmission Business, such adjustments effect depreciation and amortization expense as a result of differences in the carrying amounts for property and equipment; for CTI, such adjustments effect (i) operating expenses as a result of differences in the accounting for pension costs, and (ii) interest expense as a result of the capitalization of interest costs in connection with constructed assets.

	TWELVE MONTHS ENDED MARCH 31, 1997		TWELVE MONTHS ENDED MARCH 31, 1998		THREE MONTHS ENDED JUNE 30, 1997		THREE MONTHS ENDED JUNE 30, 1998	
	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES
	(DOLLARS IN THOUSANDS)							
Net revenues:								
Site rental and broadcast transmission.........	$112,122	91.7%	$113,558	89.2%	$27,063	88.9%	$31,628	84.1%
Network services and other................	10,090	8.3	13,731	10.8	3,376	11.1	5,978	15.9
Total net revenues..	122,212	100.0	127,289	100.0	30,439	100.0	37,606	100.0
Operating expenses:								
Costs of operations:								
Site rental and broadcast transmission.......	61,339	54.7	53,957	47.5	13,547	50.1	14,649	46.3
Network services and other..............	5,912	58.6	6,075	44.2	1,094	32.4	3,947	66.0
Total costs of operations.......	67,251	55.0	60,032	47.1	14,641	48.1	18,596	49.5
General and administrative.......	7,196	5.9	8,626	6.8	2,219	7.3	2,378	6.3
Corporate development..........	--	--	2,303	1.8	--	--	349	0.9
Depreciation and amortization.........	17,256	14.1	37,382	29.4	9,049	29.7	9,593	25.5
Operating income........	30,509	25.0	18,946	14.9	4,530	14.9	6,690	17.8
Other income (expense):								
Interest and other income..............	79	0.1	746	0.6	195	0.6	301	0.8
Interest expense and amortization of deferred financing costs................	(1,434)	(1.2)	(24,201)	(19.0)	(8,470)	(27.8)	(5,075)	(13.5)
Income (loss) before income taxes...........	29,154	23.9	(4,509)	(3.5)	(3,745)	(12.3)	1,916	5.1
Provision for income taxes...............	--	--	--	--	--	--	--	--
Net income (loss).......	$ 29,154	23.9%	$ (4,509)	(3.5)%	$(3,745)	(12.3)%	$ 1,916	5.1%

Comparison of Three Months Ended June 30, 1998 and Three Months Ended June 30, 1997

Consolidated revenues for the three months ended June 30, 1998 were $37.6 million, an increase of $7.2 million from the three months ended June 30, 1997. This increase was primarily attributable to (i) a $4.6 million increase in broadcast transmission services and site rental revenues and (ii) a $2.6 million increase in network services and other revenues. Revenues from the BBC for the three months ended June 30, 1998 amounted to $21.8 million, or 57.8% of total revenues, as compared to $19.6 million, or 64.5% of total revenues, for the three months ended June 30, 1997. Revenues from NTL for the three months ended June 30, 1998 amounted to $3.2 million, or 8.6% of total revenues. Network services revenues for the three months ended June 30, 1998 consisted of $4.5 million from network design and development services and $1.5 million from site management and other services.

Costs of operations for the three months ended June 30, 1998 were $18.6 million, an increase of $4.0 million from the three months ended June 30, 1997. This increase was primarily attributable to a $1.1 million increase in broadcast transmission services and site rental costs and a $2.9 million increase in network services and other costs. Costs of operations as a percentage of revenues for broadcast transmission services and site rental were 46.3% for the three months ended June 30, 1998, as compared to 50.1% for the three months ended June 30, 1997. This decrease was attributable to increases in site rental revenues from existing sites with little change in site operating costs. Costs of operations as a percentage of revenues for network services and other were 66.0% for the three months ended June 30, 1998, as compared to 32.4% for the three months ended June 30, 1997. This increase was attributable to high profit margins recognized for a consulting contract during the three months ended June 30, 1997. Costs of operations for site rental and broadcast transmission for the three months ended June 30, 1998 includes non-cash compensation charges for $0.3 million related to the issuance of stock options to certain employees.

General and administrative expenses for the three months ended June 30, 1998 were $2.4 million, an increase of $0.2 million from the three months ended June 30, 1997. As a percentage of revenues, general and administrative expenses were 6.3% and 7.3% for the three months ended June 30, 1998 and 1997, respectively.

Corporate development expenses for the three months ended June 30, 1998 relate primarily to costs incurred in connection with certain projects in Australasia.

Depreciation and amortization for the three months ended June 30, 1998 was $9.6 million, an increase of $0.5 million from the three months ended June 30, 1997. This increase resulted from capital expenditures for the period from June 30, 1997 through June 30, 1998.

Interest and other income for the three months ended June 30, 1998 and 1997 resulted primarily from (i) the investment of excess proceeds from amounts drawn under CTI's bank credit facilities in February 1997; and (ii) the investment of cash generated from operations during the period.

Interest expense and amortization of deferred financing costs for the three months ended June 30, 1998 was $5.1 million. This amount was comprised of (i) $0.3 million related to amounts drawn under the CTI Credit Facility; (ii) $4.6 million related to the CTI Bonds; and (iii) $0.2 million for the amortization of deferred financing costs. Interest expense and amortization of deferred financing costs for the three months ended June 30, 1997 was $8.5 million. This amount was comprised of (i) $3.2 million related to amounts drawn under the CTI Credit Facility; (ii) $2.0 million related to the CTI Bonds; and (iii) $3.3 million for the amortization of deferred financing costs.

Comparison of Twelve Months Ended March 31, 1998 and Twelve Months Ended March 31, 1997

Consolidated revenues for the twelve months ended March 31, 1998 were $127.3 million, an increase of $5.1 million from the twelve months ended March 31, 1997. This increase was primarily attributable to (i) a $1.4 million increase in broadcast transmission services and site rental revenues and (ii) a $3.6 million increase in network services and other revenues. Revenues from the BBC for the twelve months ended March 31, 1998 amounted to $79.5 million, or 62.5% of total revenues, as compared to $85.5 million, or 70.0% of total revenues, for the twelve months ended March 31, 1997. Revenues from NTL for the twelve months ended March 31, 1998 amounted to $11.8 million, or 9.2% of total revenues. Network services revenues for the twelve months ended March 31, 1998 consisted of $10.6 million from network design and development services and $3.1 million from site management and other services.

Costs of operations for the twelve months ended March 31, 1998 were $60.0 million, a decrease of $7.2 million from the twelve months ended March 31, 1997. This decrease was primarily attributable to a $7.4 million decrease in broadcast transmission services and site rental costs, partially offset by a $0.2 million increase in network services and other costs. Costs of operations as a percentage of revenues for broadcast transmission services and site rental were 47.5% for the twelve months ended March 31, 1998, as compared to 54.7% for the twelve months ended March 31, 1997. This decrease was attributable to (i) increases in site rental revenues from existing sites with little change in site operating costs; and (ii) the elimination, as of February 28, 1997, of certain costs recharged to the BBC Home Service Transmission Business by the BBC. Costs of operations as a percentage of revenues for network services and other were 44.2% for the twelve months ended March 31, 1998, as compared to 58.6% for the twelve months ended March 31, 1997. This decrease was attributable to (i) a higher proportion of broadcast consulting revenues, which result in higher margins than certain other network design and development services and (ii) the elimination, as of February 28, 1997, of certain costs recharged to the BBC Home Service Transmission Business by the BBC. Costs of operations for site rental and broadcast transmission for the twelve months ended March 31, 1998 includes non-cash compensation charges for $1.1 million related to the issuance of stock options to certain employees.

General and administrative expenses for the twelve months ended March 31, 1998 were $8.6 million, an increase of $1.4 million from the twelve months ended March 31, 1997. As a percentage of revenues, general and administrative expenses were 6.8% and 5.9% for the twelve months ended March 31, 1998 and 1997, respectively. This increase was attributable to costs incurred by CTI as a separate enterprise which were not directly incurred by the BBC Home Service Transmission Business as a part of the BBC.

Corporate development expenses for the twelve months ended March 31, 1998 relate primarily to costs incurred in connection with certain projects in Australasia and non-cash compensation charges for $1.8 million related to the issuance of stock options to certain executives.

Depreciation and amortization for the twelve months ended March 31, 1998 was $37.4 million, an increase of $20.1 million from the twelve months ended March 31, 1997. Monthly charges for depreciation and amortization increased for periods subsequent to February 28, 1997 due to (i) a decrease in the estimated useful lives for certain transmission and power plant equipment from 25 to 20 years; and (ii) the amortization of goodwill recorded in connection with the acquisition of the BBC Home Service Transmission Business.

Interest and other income for the twelve months ended March 31, 1998 resulted primarily from (i) the investment of excess proceeds from amounts drawn under CTI's bank credit facilities in February 1997; and (ii) the investment of cash generated from operations during the period.

Interest expense and amortization of deferred financing costs for the twelve months ended March 31, 1998 was $24.2 million. This amount was comprised of (i) $4.9 million related to amounts drawn under the CTI Credit Facility; (ii) $15.6 million related to the CTI Bonds; and (iii) $3.7 million for the amortization of deferred financing costs. Interest expense and amortization of deferred financing costs of $1.4 million for the twelve months ended March 31, 1997 was attributable to amounts drawn under the CTI Credit Facility. The BBC Home Service Transmission Business did not incur any financing costs as a part of the BBC prior to February 28, 1997.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 1998, after giving pro forma effect to the Roll-Up, the Offering and the Senior Preferred Conversion, the Company would have had consolidated cash and cash equivalents of $532.3 million (including

$15.8 million at CTI), consolidated long-term debt of $465.3 million and consolidated stockholders' equity of $1,236.6 million.

The Company's business strategy contemplates substantial capital expenditures in connection with (i) the expansion of its tower footprints by partnering with wireless communications carriers to assume ownership of their existing towers and by pursuing build-to-suit opportunities and (ii) to acquire existing transmission networks globally as opportunities arise. The exact amount of such capital expenditures will depend on the number of such opportunities that the Company is able to successfully consummate. The Company is currently pursuing a number of potential significant acquisitions, investments and joint venture opportunities that could require the Company to use all of the proceeds of the Offering and its existing cash on hand prior to the end of 1998. In connection with a site marketing agreement recently entered into between the Company and BellSouth Mobility, the Company and BellSouth have agreed to explore future arrangements relating to the ownership, utilization and management of BellSouth's tower sites throughout the United States. The Company is also intending to submit a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. Similarly, the Company has bid on the tower assets, which encompass more than 250 U.S. tower sites, currently being auctioned by Vanguard Cellular. In addition to these U.S. opportunities, the Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. For example, the Company, together with Fay Richwhite & Company Limited and Berkshire Partners LLC, has submitted a bid in respect of a wireless communications network, including its tower infrastructure and radio frequency spectrum. If the bid is successful and the transaction is consummated, the Company anticipates that it would invest up to approximately $50.0 million for a substantial minority interest in the acquired business. The Company is also pursuing acquisition opportunities in connection with privatizations of state-owned networks. Any of the foregoing could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, the Company has not entered into any agreements in respect of, and believes that there are a number of competing bidders for, these opportunities. As a result, the Company does not believe that any of these acquisition opportunities have become probable. Therefore, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all. See "Risk Factors--Broad Discretion in Application of Proceeds" and "Managing Integration and Growth".

In addition, the Company anticipates that it will build or acquire, through the end of 1999, approximately 1,000 towers in the United States at a cost of approximately $237.0 million and approximately 300 towers in the United Kingdom at a cost of approximately $33.5 million. The Company also expects that the capital expenditure requirements related to the rollout of digital broadcast transmission in the United Kingdom will be approximately (Pounds)110.0 million ($183.6 million).

To fund the execution of the Company's business strategy, the Company and its subsidiaries expect to use the net proceeds of the Offering, the borrowings available under the Senior Credit Facility, the borrowings available under the CTI Credit Facility and the remaining net proceeds from the 1997 Notes Offering. Whether the Company utilizes the Senior Credit Facility and the CTI Credit Facility to finance expansion opportunities will depend upon a number of factors, including (i) the attractiveness of the opportunities, (ii) the time frame in which they are identified, (iii) the number of pre-existing projects to which the Company is committed and (iv) the Company's liquidity at the time of any potential opportunity. In the event the Company does not otherwise have cash available (from the net proceeds of the 1997 Notes Offering, the net proceeds of the Offering or otherwise), or borrowings under the Senior Credit Facility or the CTI Credit Facility have otherwise been utilized, when an opportunity arises, the Company would be forced to seek additional debt or equity financing or to forego the opportunity. In the event the Company determines to seek additional debt or equity financing, there can be no assurance that any such financing will be available (on commercially acceptable terms or at all) or permitted by the terms of the Company's existing indebtedness. To the extent the Company is unable to finance future capital expenditures, it will be unable to achieve its currently contemplated business strategy.

For the years ended December 31, 1995, 1996 and 1997, and for the six months ended June 30, 1998, CCIC's net cash provided by (used for) operating activities was $1.7 million, ($0.5 million), ($0.6 million) and

($2.0 million), respectively. Since its inception, CCIC has generally funded its activities (other than its acquisitions and investments) through excess proceeds from contributions of equity capital. CCIC has financed its acquisitions and investments with the proceeds from equity contributions, borrowings under the Senior Credit Facility and the issuance of promissory notes to sellers. For the ten months ended December 31, 1997 and for the six months ended June 30, 1998, CTI's net cash provided by operating activities was $50.8 million and $32.2 million, respectively. Since its inception, CTI has generally funded its activities (other than the acquisition of the BBC Home Service Transmission Business) through cash provided by operations and borrowings under the CTI Credit Facility. CTI financed the acquisition of the BBC Home Service Transmission Business with the proceeds from equity contributions and the issuance of the CTI Bonds.

On a pro forma basis, capital expenditures (excluding acquisitions) were $56.5 million for the year ended December 31, 1997 (of which $3.4 million was for CCIC and TEA, $27.1 million was for Crown and $26.0 million was for CTI) and $91.3 million for the six months ended June 30, 1998 (of which $1.5 million was for CCIC, $51.3 million was for Crown and $38.5 million was for CTI).

In August and October of 1997, CCIC issued shares of its Senior Convertible Preferred Stock for aggregate net proceeds of $29.3 million and $36.5 million, respectively. The proceeds from the August issuance were used to make a $25.0 million payment as part of the cash purchase price for the Crown Merger. On October 31, 1997, the Company entered into an amendment to the Senior Credit Facility. As amended, the Senior Credit Facility provides for available borrowings of $100.0 million and expires on December 31, 2004. On October 31, 1997, in connection with the October Refinancing, new borrowings under the Senior Credit Facility of $94.7 million, along with the proceeds from the October issuance of the Senior Convertible Preferred Stock, were used to repay the seller note issued in connection with the Crown Merger, to repay loans outstanding under a credit agreement at CCI and to pay related fees and expenses. The Senior Credit Facility requires the Company to maintain certain financial covenants and places restrictions on the ability of the Company and its subsidiaries to, among other things, incur debt and liens, pay dividends, make capital expenditures, undertake transactions with affiliates and make investments.

CCIC used the net proceeds from the 1997 Notes Offering to repay substantially all of its outstanding indebtedness, including borrowings under the Senior Credit Facility, and to pay related fees and expenses. The balance of the net proceeds from the 1997 Notes Offering is being used for general corporate purposes. As of August 1, 1998, CCIC's subsidiaries had unused borrowing availability under the Senior Credit Facility of approximately $25.0 million.

On February 28, 1997, CTI used the proceeds from equity contributions and borrowings under the CTI Credit Facility to finance the acquisition of the BBC Home Service Transmission Business. On May 21, 1997, CTI used the net proceeds from the sale of the CTI Bonds to repay substantially all of the outstanding borrowings under the CTI Credit Facility. As of June 30, 1998, CTI had unused borrowing availability under the CTI Credit Facility of approximately (Pounds)35.0 million ($58.4 million). The CTI Credit Facility requires CTI to maintain certain financial covenants and places restrictions on the ability of CTI to, among other things, incur debt and liens, pay dividends, make capital distributions, make acquisitions, undertake transactions with affiliates and make investments. On July 17, 1998, the lenders (acting through Credit Suisse First Boston, as agent) under the CTI Credit Facility waived a provision in the CTI Credit Facility that would have required the repayment of the CTI Credit Facility concurrently with the listing of the Company's Common Stock.

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

INFLATION

Because of the relatively low levels of inflation experienced in 1995, 1996 and 1997, inflation did not have a significant effect on CCIC's, Crown's or CTI's results in such years.

COMPENSATION CHARGES RELATED TO STOCK OPTION GRANTS

During the period from April 24, 1998 through July 15, 1998, CCIC granted options to employees and executives for the purchase of 3,236,980 shares of its Common Stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares will vest upon consummation of the Offering and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, CCIC has assigned its right to repurchase shares of its Common Stock from a stockholder (at a price of $6.26 per share) to two individuals (including an expected director nominee) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the Share Exchange Agreement and at prices substantially below the expected price to the public in the Offering, CCIC will record a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the Offering. Such compensation charge will total approximately $35.1 million, of which approximately $20.2 million will be recognized upon consummation of the Offering (for such options and shares which vest upon consummation of the Offering), and the remaining $14.9 million will be recognized over five years (approximately $3.0 million per year) through the second quarter of 2003.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

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

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

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

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

YEAR 2000 COMPLIANCE

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

INDUSTRY BACKGROUND

GENERAL

The Company owns, operates and manages wireless communications and broadcast transmission infrastructure, including towers and other communications sites, and also provides a full range of complementary network support services. Each of the wireless communications and broadcasting industries is currently experiencing a period of significant change.

The wireless communications industry is growing rapidly as new wireless technologies are developed and consumers become more aware of the benefits of wireless services. Wireless technologies are being used in more applications and the cost of wireless services to consumers is declining. A significant number of new competitors in the wireless communications industry have developed as additional frequency spectrum has become available for a wide range of uses, most notably PCS and PCN. This competition, combined with an increasing reliance on wireless communications by consumers and businesses, has led to an increased demand for higher quality, uninterrupted service and improved coverage, which, in turn, has led to increased demand for communications sites as new carriers build out their networks and existing carriers upgrade and expand their networks to maintain their competitiveness. These trends are affecting the wireless communications industry around the world.

As the wireless communications industry has become more competitive, wireless communications carriers have sought operating and capital efficiencies by outsourcing certain network services and the build-out and operation of new and existing infrastructure and by co-locating transmission equipment with other carriers on multiple tenant towers. The need for co-location has also been driven by the growing trend by municipalities to slow the proliferation of towers. Further, the Company believes that there has been a fundamental shift in strategy among established wireless communications carriers relating to infrastructure ownership. The Company believes that in order to free up capital for the growth and management of their customer bases and expansion of their service offerings, such carriers are beginning to seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers that have the ability to manage networks. The Company believes that those infrastructure providers with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure.

The television broadcasting industry is experiencing significant change because of the impending widespread deployment of digital terrestrial television. In the United States, the FCC has required the four major networks (ABC, CBS, NBC and Fox) to commence DTV broadcasts in the top ten markets by May 1999 and in the top 30 markets by November 1999. In the United Kingdom, pursuant to the Broadcasting Act 1996, six digital television transmission multiplexes, which permit the holders to transmit digital television broadcasting services, have been allocated with digital transmission expected to commence on a commercial basis in late 1998. Australia, France, Germany, Japan, Spain and Sweden are expected to be the next countries to introduce digital terrestrial television, followed by other European nations and later by developing countries. Many countries are expected to start to establish digital services within the next five years. The shift to digital transmission will require network design, development and engineering services and the significant enhancement of existing broadcast transmission infrastructure, including new transmission and monitoring equipment and the modification, strengthening and construction of towers (including over 1,000 tall towers in the United States). In addition, state-run broadcast transmission networks are continuing to be privatized throughout the world.

The Company expects these trends to continue around the world in both the wireless communications and broadcasting industries. The Company believes that the next logical step in the outsourcing of infrastructure by wireless communications carriers and broadcasters will be the outsourcing of the operation of their towers and transmission networks, including the transmission of their signals, in much the same way as the BBC has done with its transmission network. This outsourcing will allow carriers to realize additional operating and capital efficiencies and to focus on management of their customer bases and expansion of their service offerings. Management believes that such carriers will only entrust the transmission of their signals to those infrastructure providers, such as the Company, that have the ability to manage towers and transmission networks and a proven track record of providing end-to-end services to the wireless communications and broadcasting industries.

DEVELOPMENT OF THE TOWER INDUSTRY

United States. The U.S. wireless communications industry was transformed in the 1970s through the issuance of licenses by the FCC to provide high quality communications services to vehicle-mounted and hand-held portable telephones, pagers and other devices. The licensees built and began operating wireless networks that were supported by communication sites, transmission equipment and other infrastructure. In the early 1980s, the number of towers began to expand significantly with the development of more advanced wireless communications systems, particularly cellular and paging. Nevertheless, as additional towers were built by the wireless communications carriers, they often were built for a single purpose rather than as multiple tenant towers. Further, these towers were generally owned and maintained by carriers and were treated as corporate cost centers operated primarily for the purpose of transmitting or receiving such carriers' signals.

During the mid-to-late 1980s, a number of independent operators of towers began to emerge. These independent tower operators focused on owning and managing towers with multiple tenants by adding lessees to existing and reconstructed towers. The Company believes the majority of these operators were small business owners with a small number of local towers and few services other than site rental. In the last five years, however, several larger independent tower operators have emerged as demand for wireless services has continued to grow and as additional high frequency licenses have been awarded for new wireless services (including PCS, narrowband paging and wireless local loop), each requiring networks with extensive tower infrastructure. These independent tower operators have sought to acquire smaller operators as well as suitable clusters of towers formerly owned by carriers and broadcasters in order to establish regional and national "tower footprints". Carriers expanding or building a network in a geographic area generally seek to lease space for antennas from a tower company with a strategically located cluster of towers and other communication sites in that area in order to efficiently and effectively establish service coverage in a given market.

Today, towers are owned by a variety of companies, including wireless communications carriers, local and long distance telecommunications companies, broadcasting companies, independent tower operators, utilities and railroad companies. Despite the increasing demand for towers, the tower industry in the United States remains highly fragmented, with only a few independent tower operators owning a large number of towers. The pace of consolidation has begun to accelerate, however, as the larger independent operators continue to acquire small local operators and purchase towers from wireless communications companies. In addition, wireless communications carriers are building out new, or filling in existing, tower footprints for new and existing wireless services. Independent operators have also expanded into a number of associated network and communication site services, including the design of communication sites and networks, the selection and acquisition of tower and rooftop sites (including the resolution of zoning and permitting issues) and the construction of towers. Previously, carriers typically handled such services through in-house departments, and local nonintegrated service contractors focused on specific segments such as radio frequency engineering and site acquisition.

Broadcast towers in the United States have typically been owned and operated on a fragmented basis. Typically, each network affiliate in each major market owns and operates its own television broadcasting tower. Local stations often have co-located their transmission equipment on these towers. Radio broadcast towers have also typically been erected by each station in a given market. Both television and radio broadcast towers have generally been constructed only for a single user and would require substantial strengthening to house new digital transmission equipment or other analog transmission equipment. As a result, similar to wireless communications towers, such towers historically have been treated as corporate cost centers operated primarily for the purpose of transmitting such broadcasters' signals.

United Kingdom. The first towers in the United Kingdom were built for the BBC's MF radio services. Additional towers were built in the 1940s to transmit HF radio services around the world. In the 1950s, both the BBC and Independent Television Authority (the predecessor of the Independent Broadcasting Authority) built towers for transmission of VHF television. The BBC used some of these towers and built additional towers in the 1960s for its VHF/FM radio services. UHF television started in 1964 and is now transmitted from some 1,100 towers. These towers have been built at a relatively constant rate (compared with wireless communications towers). The majority of tall towers were built in the 1950s and 1960s. The number of smaller towers built peaked at approximately 80 per year in the 1970s, reducing to approximately 25 per year in the early 1990s. The size and structure of towers varies widely due to location, antenna requirements and wind loading. Towers built primarily for broadcast transmission are often able to carry wireless communications antennas. Those that are currently incapable of doing so can be strengthened or replaced.

Since 1982, the growth of wireless communications in the United Kingdom has led to significant expansion in the number of towers. Historically, there have been four major wireless communications carriers in the United Kingdom, each of which, in general, built towers for its own use, rather than as multiple tenant owners. These towers are owned and maintained by such carriers and, as in the United States, were treated as corporate cost centers operated primarily for the purpose of transmitting or receiving their signals. With the smaller geographic size of the United Kingdom, as compared to the United States, these carriers typically constructed their tower footprint to provide national coverage. Because of this nationwide buildout, independent tower owners have not developed as they have in the United States. In addition to wireless communications providers, towers in the United Kingdom are owned by a variety of companies, such as telecommunications companies, utilities and railroad companies.

Today, tower owners are upgrading their networks to provide more capacity and better service to their customers, while new entrants to the wireless communications market have sought to acquire rapid access to networks that provide national coverage. With the significant costs associated with the approval process for and the construction of new towers, and the significant capital requirements associated with ownership of tower infrastructure, wireless communications carriers have begun to look to third party tower owners to co-locate their antennas on existing towers, to build, own and operate new towers and to acquire such carriers' portfolios of existing towers.

CHARACTERISTICS OF THE TOWER INDUSTRY

Management believes that, in addition to the favorable growth and outsourcing trends in the wireless communications and broadcasting industries and high barriers to entry as a result of regulatory and local zoning restrictions associated with new tower sites, tower operators benefit from several favorable characteristics. The ability of tower operators to provide antenna sites to customers on multiple tenant towers provides them with diversification against the specific technology, product and market risks typically faced by any individual carrier. The emergence of new technologies, carriers, products and markets may allow independent tower operators to further diversify against such risks. Additionally, tower operators face increased "Not-In-My-Backyard" ("NIMBY") sentiment by communities and municipalities, which is reducing the number of opportunities for new towers to be built and driving the trend toward co-location on multiple tenant towers.

The Company believes that independent tower operators also benefit from the contractual nature of the site rental business and the predictability and stability of monthly, recurring revenues. In addition, the site rental business has low variable costs and significant operating leverage. Towers generally are fixed cost assets with minimal variable costs associated with additional tenants. A tower operator can generally expect to experience increasing operating margins when new tenants are added to existing towers.

The site rental business typically experiences low tenant churn as a result of the high costs that would be incurred by a wireless communications carrier were it to relocate an antenna to another site and consequently be forced to re-engineer its network. Moving a single antenna may alter the pre-engineered maximum signal coverage, requiring a reconfigured network at significant cost to maintain the same coverage. Similarly, a television or FM broadcaster would incur significant costs were it to relocate a transmitter because, in order to avoid interruption of its transmissions, it would be necessary for the broadcaster to install and commence operations of a second broadcast site prior to ceasing signal transmission at the first site. In addition, regulatory problems associated with licensing the location of the new antenna with the FCC, in the United States, or being licensed for the location by the Radiocommunications Agency (the "RA") in the United Kingdom, may arise if the new location is at the edge of the wireless communication carrier's coverage area and if there is a possible adverse impact on other carriers. Municipal approvals are becoming increasingly difficult to obtain and may also affect the carrier's decision to relocate. The costs associated with network reconfiguration and FCC, RA and municipal approval and the time required to complete these activities may not be justified by any potential savings in reduced site rental expense.

TRENDS IN THE WIRELESS COMMUNICATIONS AND BROADCASTING INDUSTRIES

The Company's existing and future business opportunities are affected by the ongoing trends within the two major industries it serves, namely the wireless communications industry and the radio and television broadcasting industry. Each of these industries is currently experiencing a period of significant change that the Company believes is creating an increasing demand for communication sites and related infrastructure and network support services.

Wireless Communications

The wireless communications industry now provides a broad range of services, including cellular, PCS, paging, SMR and ESMR. The industry has benefitted in recent years from increasing demand for its services, and industry experts expect this demand to continue to increase.

The Company believes that more communication sites will be required in the future to accommodate the expected increase in demand for wireless communications services. Further, the Company sees additional opportunities with the development of higher frequency technologies (such as PCS), which have a reduced cell range as a result of signal propagation characteristics that require a more dense network of towers. In addition, network services may be required to service the network build-outs of new carriers and the network upgrades and expansion of existing carriers.

In addition to the increasing demand for wireless services and the need to develop and expand wireless communications networks, the Company believes that other trends influencing the wireless communication industry have important implications for independent tower operators. In order to speed new network deployment or expansion and generate efficiencies, carriers are increasingly co-locating transmission equipment with that of other network operators. The trend towards co-location has been furthered by the NIMBY arguments generated by local zoning/planning authorities in opposition to the proliferation of towers. Further, the number of competitors in wireless communications is increasing due to the auction of new spectrum and the deployment of new technologies. In this increasingly competitive environment, many carriers are dedicating their capital and operations primarily to those activities that directly contribute to subscriber growth, such as marketing and distribution. These carriers, therefore, have sought to reduce costs and increase efficiency through the outsourcing of infrastructure network functions such as communication site ownership, construction, operation and maintenance. Further, the Company believes that these carriers are beginning to seek to move their tower portfolios off their balance sheets through sales to, or joint ventures with, experienced tower operators who have the proven capability to provide end-to-end services to the wireless communications industry.

United States. Current emerging wireless communications systems, such as PCS and ESMR, represent an immediate and sizable market for independent tower operators and network services providers as carriers build out large nationwide and regional networks. While several PCS and ESMR carriers have already built limited networks in certain markets, these carriers still need to fill in "dead zones" and expand geographic coverage. The Cellular Telecommunications Industry Association ("CTIA") estimates that, as of December 31, 1997, there were 51,600 antenna sites in the United States. The Personal Communications Industry Association ("PCIA") estimates that the wireless communications industry will construct at least 100,000 new antenna sites over the next 10 years. As a result of advances in digital technology, ESMR operators, including Nextel, have also begun to design and deploy digital mobile telecommunications networks in competition with cellular carriers. In particular response to the increased competition, cellular operators are re-engineering their networks by increasing the number of sites, locating sites within a smaller radius, filling in "dead zones" and converting from analog to digital cellular service in order to manage subscriber growth, extend geographic coverage and provide competitive services. The demand for communication sites is also being stimulated by the development of new paging applications, such as e-mail and voicemail notification and two-way paging, as well as other wireless data applications. In addition, as wireless communications networks expand and new networks are deployed, the Company anticipates that demand for microwave transmission facilities that provide "backhaul" of traffic between communications sites to or from a central switching facility will also increase.

Licenses are also being awarded, and technologies are being developed, for numerous new wireless applications that will require networks of communication sites. Future potential applications include those that will be deployed by the winners of licenses auctioned in February and March 1998 for local multi-point distribution services, including wireless local loop, wireless cable television, wireless data and wireless Internet access. Radio spectrum required for these technologies has, in many cases, already been awarded and licensees have begun to build out and offer services through new wireless systems. Examples of these systems include local loop networks operated by WinStar and Teligent, wireless cable networks operated by companies such as Cellular Vision and CAI Wireless, and data networks being constructed and operated by RAM Mobile Data, MTEL and Ardis.

United Kingdom. As in the United States, the development of newer wireless communications technologies, such as PCN and digital Terrestrial Trunked Radio ("TETRA"), provides tower operators with immediate opportunities for site rental and new tower buildout. The four existing national GSM/PCN carriers continue to fill in dead zones and add capacity to their networks. Also, the carrier that is using the TETRA standard, which is similar to GSM and has been adopted throughout Europe, is deploying a network across the United Kingdom. The United Kingdom's newly-licensed wireless local loop operators have the potential to be important site rental customers. Wireless local loop operators provide telephony services that are comparable to the range and quality of services delivered over the fixed wire networks. This technology is being rapidly deployed as a low-cost alternative to fixed networks. To date, a total of seven spectrum licenses have been awarded to companies planning to deploy wireless loop systems. In addition, the deployment of a new national digital PMR system (using the TETRA standard) for the use of the U.K. emergency services and the announced licensing in early 1999 by the U.K. Government of UMTS (Universal Mobile Telecommunications Service) networks, which will be the third generation of cellular, should create additional demand for antenna space and tower sites.

Radio and Television Broadcasting

General. There are currently three main transmission delivery methods for television and radio broadcasts: terrestrial, direct-to-home ("DTH") satellite and cable. Terrestrial technology, the most common delivery method in the United States and many other countries including the United Kingdom, relies on signal transmission by wireless telegraphy from a network of terrestrial transmitters for direct reception by viewers or listeners through an aerial system. Satellite signals are transmitted to satellites that then beam the signal over a target area (satellite footprint) for reception by a customer's satellite dish. A satellite customer must either purchase or rent a dish and a receiver/decoder and pay subscription fees to the relevant provider. A cable television customer typically rents a receiver/decoder and pays a subscription fee to receive services that are distributed to the home through co-axial or fiber optic cable.

Until the 1990s, all three delivery methods used analog technology, which remains the most widespread technology in use today. In the early 1990s, digital technology was developed for radio and television broadcasting and has begun to be introduced for the transmission of radio and television signals. Digital transmission is now possible by terrestrial, satellite and cable methods.

Digital technology allows a number of signals to be compressed and interleaved, using a technical process called "multiplexing", before the combined signal is transmitted within a single frequency channel. This process makes the signal more robust, allowing the use of parts of the spectrum unavailable to analog. A greater quantity of audio-visual information can be transmitted with the same amount of frequency spectrum allowing higher resolution or multiple channels to be broadcast. At the point of reception, the compression and interleaving are decoded and individual signals recovered.

Some of the principal advantages of digital compared to analog transmission include: (i) greater number, choice and flexibility of broadcasting services offered; (ii) scope for greater interactivity on the part of viewers and listeners; (iii) greater capacity for pay-television (subscription and pay-per-view) as well as free-to-air services; and (iv) enhanced picture quality and sound. The development and timing of implementation of digital transmission technology to the general public is a function of several factors, including technological advancement, cost of equipment and conversion process, quality improvement of visual and sound transmission and demand for terrestrial bandwidth. The transition to digital transmission will involve additional costs to viewers and program and transmission service providers. Viewers will require additional equipment such as set-top boxes or digital televisions. Program providers have begun to re-equip their studios and production facilities with digital technology.

United States. Prior to the introduction of digital transmission, the U.S. broadcasting industry had generally been a mature one in terms of demand for transmission tower capacity, although even then opportunities existed for independent tower operators to purchase transmission networks, manage them on behalf of broadcasters under long-term contracts and lease space on broadcasting towers to wireless communications carriers.

The FCC-mandated introduction of digital television broadcasting will provide new opportunities for independent tower operators. The conversion of broadcasting systems from analog to digital technology will require a substantial number of new towers to be constructed to accommodate the new systems and analog equipment displaced from existing towers. Even with DTV transmissions, television station owners will continue to broadcast the existing analog signals for a number of years. Broadcasters that own their own tower infrastructure may elect to remove third-party tenants from their towers to make room for their own DTV equipment. These displaced tenants, and tower owners that are unable to remove existing third party tenants from their towers, will require new towers to accommodate their transmission equipment. The National Association of Broadcasters projects that by the year 2010 approximately 1,400 tall towers will be required to be built, strengthened or modified to support DTV, with 200 towers required in the top 50 markets within the next five years. Further, because of the need for broadcasters to purchase new transmission equipment to deploy DTV, they will have fewer resources to devote to the buildout of new tower infrastructure. The Company believes that these circumstances, along with the relative scarcity of suitable sites and prevalent NIMBY attitudes, will allow experienced tower operators to build and operate multiple tenant broadcast towers to transmit DTV signals. These towers will also be attractive sites for the distribution of FM radio broadcasts.

United Kingdom. The broadcasting industry in the United Kingdom has generally been a mature one in terms of demand for transmission tower capacity. Existing towers provide almost universal coverage for analog transmission, which remains the primary mode of transmission for television and radio programs in the United Kingdom. Most of the BBC's radio services, three Independent National Radio services and many local services are broadcast by analog terrestrial means. Some radio services are also available by satellite and cable for reception on fixed installations, but not portable or mobile sets.

Digital television services in the United Kingdom will be launched in 1998 from terrestrial transmitters (DTT), satellite (DST) and cable (DCT). The Broadcasting Act of 1996 sets out a framework for the licensing of digital terrestrial multiplexes and an industry interest group has been established to coordinate the establishment of digital television in the United Kingdom. The British Government has allocated six multiplexes for DTT: two and one-half of these multiplexes were reserved for the BBC, ITV, Channel 4, S4C and Channel 5, three were recently awarded to BDB (which is a joint venture of Carlton Communications PLC and Granada Group PLC) and the other one-half was awarded to S4C Digital Network. The Company has been awarded the digital transmission contract for the four multiplexes held by the BBC and BDB, while NTL has been awarded the digital transmission contract for the other two multiplexes.

Build-out of digital terrestrial transmission equipment in the United Kingdom is being based on existing analog terrestrial infrastructure, including transmission sites and towers. In the initial phase of the rollout of digital terrestrial transmission equipment, 81 analog transmission sites and towers will be upgraded with new transmitters and associated systems required to support DTT. Digital broadcasts from these sites are expected to reach approximately 90% of the U.K. population. It is expected that additional sites will continue to be upgraded until the "vast majority" of viewers can receive digital broadcasts.

While no formal timetable has been set for the discontinuation of analog terrestrial television broadcasting, the British Government has announced its intention to review, by 2002, the timing of analog "switch-off". When analog television transmission ceases, large amounts of frequency spectrum will be released. New uses for this spectrum have not yet been defined but applications are likely to include other digital broadcasting applications and mobile communications. The spectrum is inherently suitable for terrestrial transmission, so it is likely that existing towers will be used to provide many of the new services.

In September 1995, the BBC launched the United Kingdom's first digital radio service, which is now broadcast to approximately 60% of the U.K. population from 29 transmission sites. Independent National Radio ("INR") and Independent Local Radio licenses for additional digital radio multiplexes are expected to be issued by the end of 1998.

To date, existing broadcast towers have been used as transmission sites for the BBC's digital radio service, and it is anticipated that existing towers also will be used for the independent services, often sharing the antennas used for the BBC's digital radio service. While digital radio has the advantage of using a single frequency network, which enables expanded geographic coverage as compared with the multiple frequency networks used for analog radio, to replicate the coverage of analog radio it will be necessary to broadcast digital radio from more sites than at present. Although detailed planning has not yet begun, it is expected that existing towers will provide the necessary sites. As with DTT, the Company believes that ownership of key broadcasting sites across the United Kingdom will allow an experienced operator to provide the infrastructure necessary to accomodate the growth in digital radio at minimum cost.

BUSINESS

The Company is a leading U.S. and international provider of wireless communications and broadcast transmission infrastructure and related services. The Company owns, operates and manages towers, rooftop sites and broadcast transmission networks, and provides a full range of complementary services including network design and site selection, site acquisition, site development and construction, antenna installation and network management and maintenance. The Company has 19 years of experience in the ownership, leasing and management of wireless communications sites and a 75-year history of broadcast transmission and network management. Based on its industry position and experience, the Company believes it is positioned to capitalize on global growth opportunities arising from (i) the expansion of existing networks and the introduction of new networks in the wireless communications industry, (ii) the consolidation of tower ownership generally, including the transfer of infrastructure ownership from major wireless communications carriers to independent infrastructure providers, (iii) the ongoing privatization of state-run broadcast transmission networks around the world and (iv) the widespread introduction of digital transmission technology in the broadcasting industry. For the year ended December 31, 1997 and the six months ended June 30, 1998, the Company had pro forma revenues of $180.9 million and $95.0 million, respectively.

The Company's site rental business involves leasing antenna space to customers on its owned and managed towers and rooftop sites. The Company generally receives fees for installing a customer's equipment and antennas on a tower and also receives monthly rental payments from customers under site leases that typically range in term from three to five years. The Company's major site rental customers include Aerial Communications, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, Motorola, Nextel, PageNet, Sprint PCS and TSR Wireless in the United States and Cellnet, National Transcommunications Limited, One2One, Orange Personal Communications and Vodafone in the United Kingdom.

The Company's broadcast transmission business includes both the transmission of analog and digital television and radio broadcasts and the construction of new multiple tenant broadcast towers. In the United Kingdom, the Company provides analog transmission services for two national television services, seven national radio services and 37 local radio stations through its network of 3,465 transmitters. These services are provided under long-term contracts with the BBC and two national commercial radio companies. In addition, the Company has long-term contracts to provide digital transmission services to the BBC and BDB, which together are the holders of four of the six multiplexes for digital terrestrial television broadcasting throughout the United Kingdom. In the United States, the Company plans to build new multiple tenant broadcast towers in locations where additional tower capacity is required to accommodate digital transmission equipment and analog transmission equipment displaced from existing towers.

The Company has developed, maintains and deploys primarily for its own use extensive wireless communications and broadcast transmission network design and radio frequency engineering expertise, as well as site acquisition, site development and construction and antenna installation capabilities. The Company has a team of over 300 engineers with state-of-the-art wireless communications and broadcast transmission network design and radio frequency engineering expertise. The Company plans to leverage its technical expertise and operational experience to enter into build-to-suit and purchase contracts with, and to enter into joint ventures to own and operate the wireless communications infrastructure of, various wireless communications carriers around the world. The Company believes the primary criteria of such carriers in selecting a company to construct, own or operate their wireless communications infrastructure will be the company's capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes that those companies with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure.

As of June 30, 1998, the Company owned or managed 1,244 towers and 66 revenue producing rooftop sites. In addition, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers and, in the United Kingdom, the Company had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were not available for leasing to customers. The Company's major tower footprints consist of 754 owned and managed towers located across the United Kingdom, 207 owned and managed towers located in western Pennsylvania (primarily in and around the greater Pittsburgh area), 185 owned and managed towers located in the southwestern United States (primarily in Texas), 14 owned towers located on mountaintops across Puerto Rico and 22 towers along I-95 in North Carolina and South Carolina. In addition, the Company is currently constructing 55 new towers on existing sites and has 38 site acquisition projects in process for sites for its own use.

The Company is actively seeking opportunities for strategic acquisitions of communications sites and transmission networks and is currently pursuing a number of potential significant acquisitions, investments and joint venture opportunities. In connection with a site marketing agreement recently entered into between the Company and BellSouth Mobility, the Company and BellSouth have agreed to explore future arrangements relating to the ownership, utilization and management of BellSouth's tower sites throughout the United States. The Company is also intending to submit a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. Similarly, the Company has bid on the tower assets, which encompass more than 250 U.S. tower sites, currently being auctioned by Vanguard Cellular. In addition to these U.S. opportunities, the Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. For example, the Company, together with Fay Richwhite & Company Limited and Berkshire Partners LLC, has submitted a bid in respect of a wireless communications network, including its tower infrastructure and radio frequency spectrum. If the bid is successful and the transaction is consummated, the Company anticipates that it would invest up to approximately $50.0 million for a substantial minority interest in the acquired business. The Company is also pursuing acquisition opportunities in connection with privatizations of state-owned networks. Any of the foregoing could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, the Company has not entered into any agreements in respect of, and believes that there are a number of competing bidders for, these opportunities. As a result, the Company does not believe that any of these acquisition opportunities have become probable. Therefore, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all. See "Risk Factors--Broad Discretion in Application of Proceeds" and "Risk Factors--Managing Integration and Growth".

BACKGROUND

Founded in 1994, the Company acquired 127 towers located in Texas, Colorado, New Mexico, Arizona, Oklahoma and Nevada from PCI in 1995. Also in 1995, in order to expand its geographic coverage, scope of services and client base, the Company consummated the Spectrum Acquisition for a leading rooftop management and engineering firm that manages rooftop sites. The Spectrum Acquisition provided the Company with management revenues for 44 rooftop sites, as well as important relationships with carriers, and gave the Company an entry into the market for wireless network services.

In 1996, the Company acquired from Motorola a strategic cluster of 14 towers located on mountaintops across Puerto Rico, as well as one rooftop site and an island-wide microwave and SMR system. The Puerto Rico Acquisition gave the Company a strategic tower footprint, and positioned the Company to be a leading independent tower operator in the Puerto Rican market. In addition, in July 1996, CCIC purchased an option to acquire 36% of TEA, which represented a significant step for the Company towards becoming a full service provider of wireless network services. TEA is a leading site acquisition firm offering carriers specialized expertise in site selection, site acquisition, zoning, permit procurement and project management. In May 1997, CCIC acquired all the outstanding shares of TEA. In June 1997, the Company purchased a minority interest in VISI, which intends to provide computerized geographic information for a variety of business applications (including site acquisition and telecommunication network design).

In February 1997, CCIC, along with Candover Investments plc, TdF and Berkshire, formed CTI to purchase the BBC Home Service Transmission Business. Following the CTI Investment, the Company owned 34.3% of CTI. The BBC Home Service Transmission Business included ownership of approximately 730 towers in the United Kingdom and rights to locate broadcast transmission equipment on an additional 558 towers in the United Kingdom owned by NTL, CTI's primary competitor. In addition, CTI entered into a 10-year contract with the

BBC to provide analog television and analog and digital radio transmission services in the United Kingdom. With the acquisition of the BBC Transmission Business, the Company, through its affiliation with CTI, gained access to an expertise in broadcast transmission upon which the Company believes it can capitalize in other markets.

In August 1997, CCIC expanded its tower footprints and enhanced its network services offering in the United States by consummating the Crown Merger. The assets acquired through the Crown Merger included 61 owned towers and exclusive rights to lease antenna space on 147 other towers and rooftop sites, most of which are located in and around the greater Pittsburgh area, giving the Company a significant presence in that market. The remaining acquired Crown communication sites are located in Pennsylvania, West Virginia, Kentucky, Ohio and Delaware. The Crown assets included engineering and operational expertise and management experience. The Crown Merger also provided the Company with relationships with major wireless communications carriers such as Aerial Communications, AirTouch Cellular, Bell Atlantic Mobile, AT&T Wireless, PageNet, Nextel and Sprint PCS.

THE ROLL-UP

On April 24, 1998, the Company entered into a Share Exchange Agreement pursuant to which, concurrently with the closing of the Offering, (i) all shareholders of CTSH (other than the Company, TdF and DFI) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company. In connection with such exchanges, the Company will exercise warrants to acquire additional shares of capital stock of CTSH and subscribe for additional shares of capital stock of CTSH. Such transactions are collectively referred to herein as the "Exchange". Upon consummation of the Exchange, the Company will own 80.0% of CTSH and TdF will own the remaining 20.0%. Immediately prior to the Exchange, (i) each share of the Company's Existing Class A Common Stock will be converted into 1.523148 shares of Common Stock, (ii) each share of the Company's Existing Class B Common Stock will be reclassified as one share of Common Stock and (iii) each share of the Company's Existing Preferred Stock will be converted into one share of Common Stock. See "The Roll-Up".

Upon the consummation of the Offering, after giving effect to the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which is convertible into shares of Common Stock and represents a 10.4% beneficial ownership interest in the Company's Common Stock) and DFI and TdF together will (after giving effect to the TdF Conversions) beneficially own 25.0% of the Company's Common Stock; (ii) the Candover Group will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".

Following the Roll-Up, TdF will have certain significant governance and other rights with respect to the Company and the CTI business. Subject to certain conditions, TdF's consent will be required for the Company or CTI to undertake certain actions, including making certain acquisitions or dispositions, entering into strategic alliances with certain parties and engaging in certain business combinations. See "Risk Factors--Risks Related to Agreements with TdF" and "The Roll-Up--Roll-Up Agreements".

In addition, subject to certain conditions, (i) during the two year period following consummation of the Offering, TdF will have the right to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio (as defined) and (ii) on the second anniversary of the consummation of the Offering, the Company will have the right to require TdF to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio; provided, however, that in each case TdF will retain ownership of one CTSH share and, therefore, will retain its governance rights with respect to CTI until its ownership interest in the Company falls below 5%. See "Risk Factors--Risks Related to Agreements with TdF", "The Roll-Up--Roll-Up Agreements" and "Description of Capital Stock".

BUSINESS STRATEGY

The Company's objective is to become the premier global provider of wireless communications and broadcast transmission infrastructure and related services. The Company's experience in establishing and expanding its existing tower footprints, its experience in owning and operating both analog and digital transmission networks, its significant relationships with wireless communications carriers and broadcasters and its ability to offer customers its in-house technical and operational expertise, uniquely position it to capitalize on global growth opportunities. The key elements of the Company's business strategy are to:

- MAXIMIZE UTILIZATION OF TOWER CAPACITY. The Company is seeking to take advantage of the substantial operating leverage of its site rental business by increasing the number of antenna leases on its owned and managed communications sites. The Company believes that many of its towers have significant capacity available for additional antenna space rental and that increased utilization of its tower capacity can be achieved at low incremental cost. For example, prior to the Company's purchase of the BBC's broadcast transmission network in 1997, the rental of available antenna capacity on the BBC's premier tower sites was not actively marketed to third parties. The Company believes there is substantial demand for such capacity. In addition, the Company believes that the extra capacity on its tower footprints in the United States and the United Kingdom will be highly desirable to new entrants into the wireless communications industry. Such carriers are able to launch service quickly and relatively inexpensively by designing the deployment of their networks based on the Company's attractive existing tower footprints. Further, the Company intends to selectively build and acquire additional towers to improve the coverage of its existing tower footprints to further increase their attractiveness. The Company intends to use targeted sales and marketing techniques to increase utilization of and investment return on its existing, newly constructed and acquired towers.

- LEVERAGE EXPERTISE OF CCI AND CTI PERSONNEL TO IMPLEMENT GLOBAL GROWTH STRATEGY. The Company is seeking to leverage the skills of its personnel in the United States and the United Kingdom. The Company believes that its ability to manage networks, including the transmission of signals, will be an important competitive advantage in its pursuit of global growth opportunities. With its wireless communications and broadcast transmission network design and radio frequency engineering expertise, the Company is well positioned (i) to partner with major wireless communications carriers to assume ownership of their existing towers, (ii) to provide build-to-suit towers for wireless communications carriers and broadcasters and (iii) to acquire existing broadcast transmission networks that are being privatized around the world.

- PARTNER WITH WIRELESS COMMUNICATIONS CARRIERS TO ASSUME OWNERSHIP OF THEIR EXISTING TOWERS. The Company is seeking to partner with major wireless communications carriers to assume ownership of their existing towers directly or through joint ventures. The Company believes the primary criteria of such carriers in selecting a company to own and operate their wireless communications infrastructure will be the company's perceived capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes that those companies with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure. The Company is currently in discussions with major wireless communications carriers in the United States to form joint ventures that would own and operate their towers and believes that similar opportunities will arise globally as the wireless communications industry further expands.

- PROVIDE BUILD-TO-SUIT TOWERS FOR WIRELESS COMMUNICATIONS CARRIERS AND BROADCASTERS. As wireless communications carriers continue to expand and fill-in their service areas, they will require additional communications sites and will have to build new towers where co-location is not available. Similarly, the introduction of DTV in the United States will require the construction of new broadcast towers to accommodate new digital transmission equipment and analog transmission equipment displaced from existing towers. The Company is aggressively pursuing these build-to-suit opportunities, leveraging on its ability to offer end-to-end services. In addition, the Company intends to pursue build-to-suit opportunities through any joint venture or similar arrangement it establishes in connection with the acquisition of existing towers from wireless communications carriers.

- ACQUIRE EXISTING BROADCAST TRANSMISSION NETWORKS. In 1997, CTI successfully acquired the privatized domestic broadcast transmission network of the BBC. In addition, the Company is implementing the roll-out of digital television transmission services throughout the United Kingdom. As a result of this experience, the Company is well positioned to acquire other state-owned analog and digital broadcast transmission networks globally when opportunities arise. These state-owned broadcast transmission networks typically enjoy premier sites giving an acquiror the ability to offer unused antenna capacity to new and existing radio and television broadcasters and wireless communications carriers, as well as to install new technologies such as digital terrestrial transmission services. In addition, the Company's experience in broadcast transmission services allows the Company to consider, when attractive opportunities arise, acquiring wireless transmission networks as well as the acquisition of associated wireless communications infrastructure. The Company is currently pursuing a number of international acquisition and privatization opportunities.

- CAPITALIZE ON MANAGEMENT EXPERIENCE. The Company's management team has extensive experience in the tower industry and in the management of broadcast transmission networks. Many of the senior executives have worked together for an extended period, which enables them to leverage their collective strengths in a rapidly changing industry environment. In addition, management is highly motivated to produce strong operating results based on their stock ownership in the Company.

THE COMPANY

CCIC is a holding company that conducts all of its business through its subsidiaries. CCIC's two principal operating subsidiaries are CCI, through which it conducts its U.S. operations, and CTI, through which it conducts its U.K. operations.

U.S. OPERATIONS

The Company's primary business focus in the United States is the leasing of antenna space on multiple tenant towers and rooftops to a variety of wireless communications carriers under long-term lease contracts. Supporting its competitive position in the site rental business, the Company maintains in-house expertise in, and offers its customers, infrastructure and network support services that include network design and communication site selection, site acquisition, site development and construction and antenna installation.

The Company leases antenna space to its customers on its owned and managed towers. The Company generally receives fees for installing customers' equipment and antennas on a tower and also receives monthly rental payments from customers payable under site rental leases that generally range in length from three to five years. The Company's U.S. customers include such companies as Aerial Communications, AirTouch Cellular, Arch Communications, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, Cellular One, Federal Express, Lucent Technologies, Motorola, Nextel, Nokia, PageNet, Skytel, Sprint PCS and TSR Wireless, as well as private network operators and various federal and local government agencies, such as the Federal Bureau of Investigation, the Internal Revenue Service and the U.S. Postal Service.

At June 30, 1998, the Company owned or managed 490 towers and 66 revenue producing rooftop sites in the United States and Puerto Rico. In addition, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers. The Company's major U.S. tower footprints are located in western Pennsylvania (primarily in and around the greater Pittsburgh area), in the southwestern United States (primarily in western Texas), across Puerto Rico and along I-95 in North Carolina and South Carolina. The Company plans to enhance and expand its tower footprints by building and acquiring multiple tenant towers in locations attractive to site rental customers. To that end, the

Company has developed, maintains and deploys for its own use extensive network design and radio frequency engineering expertise, as well as site selection, site acquisition and tower construction capabilities. The Company plans to leverage CCI's expertise and experience in building and acquiring new towers by entering into build-out, purchase or management contracts with various carriers and tower owners. For example, pursuant to an agreement with Nextel, as of June 30, 1998, the Company had constructed or purchased 42 sites, was in the process of constructing or receiving permits for an additional 28 sites and has the option to construct or purchase up to 108 additional multiple tenant towers with Nextel as an anchor tenant along certain interstate corridors. In addition, pursuant to this agreement, the Company purchased 46 of Nextel's existing towers clustered in various markets, including Philadelphia, Houston, Dallas and San Antonio and has the option to purchase four additional towers.

Communication Site Footprints

At June 30, 1998, the Company owned 361 towers and managed an additional 129 towers and 66 revenue producing rooftop sites in the United States and Puerto Rico. The Company is in the process of building 47 towers. The following table indicates, as of June 30, 1998, the type and geographic concentration of CCI's owned and managed towers and revenue producing rooftop sites:

	NUMBER	% OF TOTAL
Towers:		
Pennsylvania	207	37.2%
Texas	133	23.9
New Mexico	34	6.1
Mississippi	21	3.7
Ohio	16	2.9
West Virginia	16	2.9
Puerto Rico	14	2.5
Arizona	11	2.0
North Carolina	11	2.0
South Carolina	11	2.0
All Others	16	2.9
	490	88.1
Rooftops(a)	66	11.9
Total	556	100.0%

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(a) CCI manages an additional 1,217 rooftop sites throughout the United States that do not currently produce revenue but are available for leasing to its customers.

The Company expects to significantly broaden its existing U.S. tower footprints and expand into new strategically clustered sites by building additional towers. To that end, the Company, through CCI, has developed and maintains and deploys for its own use extensive network design and radio frequency engineering expertise and tower construction capabilities. The Company plans to leverage CCI's network design expertise to build towers in areas where carriers' signals fail to transmit in their coverage area. The areas, commonly known as "dead zones", are attractive tower locations. Building a tower only after securing an anchor tenant, the Company usually has been able to add additional carriers that have the same "dead zone", the Company also plans to leverage CCI's expertise and experience in building new towers by entering into build-out or purchase contracts with various carriers, such as the Nextel Agreement. As of June 30, 1998, the Company had constructed 42 towers in western Pennsylvania, Ohio, Texas, South Carolina, Virginia and North Carolina to enhance its regional presence in these areas. As part of the Nextel Agreement, the Company had the option to build or purchase up to 250 towers along interstate highways in the midwestern and eastern United States over the next two years. As of June 30, 1998, 42 of these sites had been completed, an additional 28 sites were in various stages of permitting and construction, ten sites had been identified as candidates for purchase and 62 sites had been rejected because they did not meet the Company's investment criteria. See "--Significant Contracts--Nextel Agreement".

The Company plans to use the towers acquired in the Crown Merger as a model for the towers it intends to build when population density and perceived demand are such that the Company believes the economics of constructing such towers are justified. Management believes the Crown towers are superior to those of its competitors because of their capacity and quality engineering. The multiple tenant design of the Crown towers obviates the need for expensive and time consuming modifications to upgrade undersized towers, saving critical capital and time for carriers facing time-to-market constraints. Using only hot dipped galvanized structures exceeding the standards of the American National Standards Institute, Electronics Industry Association and Telecommunications Industry Association, the Company builds towers capable of accommodating a large number of wireless antennas. The towers are also designed to easily add additional customers, and the equipment shelters are built to accommodate another floor for new equipment and air conditioning units when additional capacity is needed. The tower site is zoned for multiple carriers at the time the tower is constructed to allow new carriers to quickly utilize the site. In addition, the towers, equipment shelters and site compounds are engineered to protect and maintain the structural integrity of the site. Tower sites are designed to withstand severe wind, lightning and icing conditions, have shelters with exclusive security card access and are surrounded by ten foot barbed wire fences.

The Company also plans to acquire towers in order to develop new tower footprints or to broaden its existing tower footprints. The Company believes that wireless communications carriers have begun to seek to sell, or establish joint ventures for the ownership of, their tower networks. See "Industry Background". The Company is actively seeking to enter into such arrangements with major wireless communications carriers. On a smaller scale, as part of the Nextel Agreement, the Company has purchased 46 of Nextel's existing towers and has the option to purchase an additional four towers. The Company believes that these towers will provide it with a portfolio of strategic clusters in Philadelphia, Houston, Dallas and San Antonio. The Company plans to continue to acquire additional towers from carriers, such as Nextel, and other independent tower operators as opportunities present themselves, although the Company currently has no agreements with regard to any such acquisitions.

The Company generally believes it has significant capacity on a number of its towers in the United States and Puerto Rico. Many of the towers it acquired prior to the Crown Merger, however, may require significant modifications and improvements to raise them to the quality specifications of the Crown towers or to add additional customers. The Company intends to pursue these upgrades where it believes it can achieve appropriate returns to merit the necessary expenditure.

Products and Services

The Company's products and services can be broadly categorized as either site rental, network services or broadcast site rental and services. Network services provided through CCI include network design and site selection, site acquisition, site development and construction and antenna installation.

Site Rental

In the United States, the Company rents antenna space on its owned and managed towers and rooftops to a variety of carriers operating cellular, PCS, SMR, ESMR, paging and other networks. The Company's U.S. site rental business has its headquarters in Pittsburgh, with sales offices in Houston, Albuquerque, Philadelphia and San Juan.

Tower Site Rental. The Company leases space to its customers on its owned and managed towers. The Company generally receives fees for installing customers' equipment and antennas on a tower (as provided in the Company's network services programs) and also receives monthly rental payments from customers payable under site leases. In the United States, the majority of the Company's outstanding customer leases, and the new leases typically entered into by the Company, have original terms of five years (with three or four optional renewal periods of five years each) and provide for annual price increases based on the Consumer Price Index.

The Company also provides a range of site maintenance services in order to support and enhance its site rental business. The Company believes that by offering services such as antenna, base station and tower maintenance and security monitoring, it is able to offer quality services to retain its existing customers and attract future customers to its communication sites. The Company was the first site management company in the United States selected by a major wireless communications company to exclusively manage its tower network and market the network to other carriers for co-location.

The following table describes the Company's top ten revenue producing towers in the United States and Puerto Rico:

NAME	LOCATION	HEIGHT (FT)	NUMBER OF TENANT LEASES	NUMBER OF ANTENNAS	JUNE 1998 MONTHLY REVENUE
Crane	Pennsylvania	450	102	134	$ 74,327
Bluebell	Pennsylvania	300	110	98	52,645
Monroeville	Pennsylvania	500	65	91	38,483
Lexington	Kentucky	500	89	85	38,354
Sandia Crest	New Mexico	140	20	41	27,937
Cranberry	Pennsylvania	400	45	86	26,732
Greensburg	Pennsylvania	375	39	65	24,641
El Yunque	Puerto Rico	200	35	77	24,452
Cerro de Punta	Puerto Rico	220	37	58	24,327
Beaver	Pennsylvania	500	43	56	24,287
Total			585	791	$356,185

The Company has entered into master lease agreements with Aerial Communications, AT&T Wireless, Bell Atlantic Mobile, Nextel and Sprint PCS, among others, which provide certain terms (including economic terms) that govern new leases entered into by such parties during the term of their master lease agreements, including the lease of space on towers in the Pittsburgh major trading area ("Pittsburgh MTA"), which includes greater Pittsburgh and parts of Ohio, West Virginia and western Pennsylvania. Each of the Aerial Communications and Sprint PCS agreements has a 10-year master lease term through December 2006, with one 10-year and one five-year renewal period. Rents are adjusted periodically based on the cumulative Consumer Price Index. Nextel's master lease agreement with the Company has a 10-year master lease term through October 2006, with two 10-year renewal options. The Company has also entered into an independent contractor agreement with Nextel. The Bell Atlantic Mobile agreement has a 25-year master lease term through December 2020. The Company has also entered into a master lease agreement with Bell Atlantic whereby the Company has the right to lease antenna space to customers on towers controlled by Bell Atlantic Mobile. See "--Significant Contracts".

The Company has significant site rental opportunities arising out of its agreements with Bell Atlantic Mobile and Nextel. In its lease agreement with Bell Atlantic Mobile, the Company has exclusive leasing rights for 117 existing towers and currently has sublessees on 59 of these towers in the greater Pittsburgh area. The lease agreement provides that CCI may sublet space on any of these towers to another carrier subject to certain approval rights of Bell Atlantic Mobile. To date Bell Atlantic Mobile has never failed to approve a sublease proposed by CCI. In connection with the Nextel Agreement, as of June 30, 1998, the Company has the option to own and operate up to 108 additional towers. See "--Significant Contracts".

Rooftop Site Rental. The Company is a leading rooftop site management company in the United States. Through its subsidiary, Spectrum, the Company develops new sources of revenue for building owners by effectively managing all aspects of rooftop telecommunications, including two-way radio systems, microwave facilities, fiber optics, wireless cable, paging and rooftop infrastructure services. Spectrum's staff includes radio frequency engineers, managers, technicians and licensing personnel with extensive experience.

The Company generally enters into management agreements with building owners and receives a percentage of the revenues generated from the tenant license agreements. Specifically, the Company designs and contracts these sites, actively seeks multiple wireless communications carriers, prepares end-user license agreements, and then manages and enforces the agreements. In addition, the Company handles billing and collections and all calls and questions regarding the site, totally relieving the building's management of this responsibility.

Through Spectrum, the Company focuses on providing electronic compatibility for antennas, and maximization of revenue for building owners. In the United States, radio frequencies are assigned by the FCC but are not coordinated by proposed site. For this reason, Spectrum has developed its own computerized engineering program to determine the electronic compatibility of all users at each site. This program enables Spectrum to maximize site usage. Spectrum surveys each site and evaluates its location, height, physical and electronic characteristics, and its engineers prepare a computer analysis to determine the optimum location for different types of equipment and frequencies. Based on this analysis, potential site users are identified.

In addition to the technical aspects of site management, the Company provides operational support for both wireless communications carriers looking to build out their wireless networks, and building owners seeking to outsource their site rental activities. CCI stores and regularly updates relevant site data, such as the location of communications and broadcast equipment, into a database, which can be utilized to help wireless communications carriers plan and build out their networks.

Network Services

Through designing, building and operating its own communication sites, the Company, through CCI, has developed an in-house expertise in certain value-added services that it offers to the wireless communications and broadcasting industries. Because the Company views CCI as a turnkey provider with "end-to-end" design, construction and operating expertise, it offers its customers the flexibility of choosing between the provision of a full ready-to-operate network infrastructure or any of the component services involved therein. Such services include network design and site selection, site acquisition, site development and construction and antenna installation.

Network Design and Site Selection. The Company has extensive experience in network design and engineering and site selection. While the Company maintains sophisticated network design services primarily to support the location and construction of Company-owned multiple tenant towers, the Company does from time to time provide network design and site selection services to carriers and other customers on a consulting contract basis. The Company's network design and site selection services provide customers with relevant information including recommendations regarding location and height of towers, appropriate types of antennas, transmission power and frequency selection and related fixed network considerations. In 1997, the Company provided network design services primarily for its own footprints and also for certain customers, including Triton Communications, Nextel, Aerial Communications and Sprint. These customers were typically charged on a time and materials basis.

To capitalize on the growing concerns over tower proliferation, the Company has developed a program called "Network Solutions" through which it will attempt to form strategic alliances with local governments to create a single communications network in their communities. To date the Company's efforts have focused on western Pennsylvania, where it has formed alliances with three municipalities. These alliances are intended to accommodate wireless communications carriers and local public safety, emergency services and municipal services groups as part of an effort to minimize tower proliferation. By promoting towers designed for co-location, these alliances will reduce the number of towers in communities while serving the needs of wireless communications carriers and wireless customers.

Site Acquisition. In the United States, the Company is engaged in site acquisition services for its own purposes and for third parties. Based on data generated in the network design and site selection process, a "search ring", generally of a one-mile radius, is issued to the site acquisition department for verification of possible land purchase or lease deals within the search ring. Within each search ring, Geographic Information Systems ("GIS") specialists select the most suitable sites, based on demographics, traffic patterns and signal characteristics. Once a site is selected and the terms of an option to purchase or lease the site are completed, a survey is prepared and the resulting site plan is created. The plan is then submitted to the local zoning/planning board for approval. If the site is approved, the Company's construction department takes over the process of constructing the site.

The Company provides solutions to the NIMBY dilemma of wireless companies by building more environmentally neutral and aesthetically acceptable towers. Designs have included a clock tower, bell tower and others that will allow communications companies to build in areas that otherwise would not permit a tower to be built.

In 1997, CCI provided site acquisition services to eight customers, including Aerial Communications, AirTouch Cellular, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, GTE Mobilnet, Nextel, Omnipoint, Pagemart, Sprint PCS and Teligent. These customers engage the Company for such site acquisition services on either a fixed price contract or a time and materials basis.

Site Development and Construction and Antenna Installation. The Company has provided site development and construction and antenna installation services to the U.S. communications industry for over 14 years. The Company has extensive experience in the development and construction of tower sites and the installation of antenna, microwave dishes and electrical and telecommunications lines. The Company's site development and construction services include clearing sites, laying foundations and electrical and telecommunications lines, and constructing equipment shelters and towers. The Company has designed and built and presently maintains tower sites for a number of its wireless communications customers and a substantial part of its own tower network. The Company can provide cost-effective and timely completion of construction projects in part because its site development personnel are cross-trained in all areas of site development, construction and antenna installation. A varied inventory of heavy construction equipment and materials are maintained by the Company at its 45-acre equipment storage and handling facility in Pittsburgh, which is used as a staging area for projects in major cities in the eastern region of the United States. The Company generally sets prices for each site development or construction service separately. Customers are billed for these services on a fixed price or time and materials basis and the Company may negotiate fees on individual sites or for groups of sites. The Company has the capability and expertise to install antenna systems for its paging, cellular, PCS, SMR, ESMR, microwave and broadcasting customers. As this service is performed, the Company uses its technical expertise to ensure that there is no interference with other tenants. The Company typically bills for its antenna installation services on a fixed price basis.

The Company's construction management capabilities reflect Crown's extensive experience in the construction of networks and towers. For example, Crown was instrumental in launching networks for Sprint PCS, Nextel and Aerial Communications in the Pittsburgh MTA. In addition, Crown supplied these carriers with all project management and engineering services which included antenna design and interference analyses.

In 1997, the Company provided site development and construction and antenna services to approximately 21 customers in the United States, including Nextel, Sprint PCS, AT&T Wireless, Aerial Communications and Bell Atlantic Mobile.

Broadcast Site Rental and Services

The Company also provides site rental and related services to customers in the broadcasting industry in the United States. The launch of DTV in the United States will require significant expansion and modification of the existing broadcast infrastructure. Because of the significant cost involved in the construction or modification of tall towers, along with the large capital expenditures broadcasters will incur in acquiring digital broadcast equipment, management believes that the television broadcasting industry, which has historically been opposed to co-location and third party ownership of broadcast infrastructure, will seek to outsource tower ownership due to cost constraints. See "Industry Background".

The Company is in the process of forming a joint venture with TdF to pursue tall tower buildout and network ownership opportunities. This entity, which is expected to be approximately 70%-owned by the Company, will seek to capitalize on CTI's and TdF's experience in the broadcast transmission market. Management's objective is to become a leader in the buildout of the approximately 200 tall towers expected to be built in the United States over the next five years. Management believes that the Company's experience in providing digital transmission services in the United Kingdom will make the joint venture an attractive provider of broadcast services to the major networks and their affiliates. In addition, the joint venture will seek to partner with public broadcasting stations that own property zoned for tall towers, but that lack sufficient resources and expertise to build a tower. After reaching agreement with the public broadcasting station, the joint venture will attempt to co-locate on the tower the transmitters of major and medium-sized commercial broadcast television stations and high powered FM radio stations as well as wireless communications carriers.

Electronic news gathering ("ENG") systems benefit from the towers and services offered by the Company. The ENG trucks, often in the form of local television station news vans with telescoping antennas on their roofs, send live news transmission back to the studio from the scene of an important event. Typically, these vans cannot transmit signals beyond about 25 miles. In addition, if they are shielded from the television transmitter site, they cannot make the connection even at close range. The Company has developed an ENG repeater system that can be used on many of its towers in western Pennsylvania and expects to develop similar systems in other markets in which it has or develops tower footprints. This system allows the ENG van to send a signal to one of the Company's local towers where the signal is retransmitted back to the television transmitter site. The retransmission of the signal from the Company's tower to the various television transmitter sites is done via a microwave link. The Company charges the station for the ENG receiver system at the top of its tower and also charges them for the microwave dish they place on its tower. The Company's ENG customers are affiliates of the NBC, ABC, CBS and Fox networks.

The Company also has employees with considerable direct construction experience and market knowledge in the U.S. broadcasting industry, having worked with numerous television networks around the United States, and a number of other local broadcasting companies. The Company has installed master FM and television systems on buildings across the country. It has supervised the construction and operation of the largest master FM antenna facility in the United States and has engineered and installed two 2,000 foot broadcast towers with master FM antennas. Management believes that this experience may help the Company negotiate favorable antenna site lease rates and construction contracts for both tower and rooftop sites, and to gain an expertise in the complex issues surrounding electronic compatibility and RF engineering.

Significant Contracts

The Company has many agreements with telecommunications providers in the United States, including leases, site management contracts and independent contractor agreements. The Company's reciprocal leasing arrangements with Bell Atlantic Mobile, its agreement with Nextel and the BellSouth Site Marketing Agreement present unique opportunities for CCI to (i) acquire clusters of towers in new markets, (ii) expand its existing tower footprints by constructing multiple tenant towers with long-term anchor tenants and (iii) increase utilization of existing towers and rooftop sites.

Bell Atlantic Mobile

On December 29, 1995, the Company and Bell Atlantic Mobile entered into two separate 25-year master lease agreements relating to their towers in the Pittsburgh MTA, one establishing certain terms and conditions of Bell Atlantic Mobile's tenancy on the Company's towers and the other establishing certain terms and conditions of the Company's sale of tenancy to other parties on towers controlled by Bell Atlantic Mobile. In addition to providing site rental revenue to the Company, the master leases allow each of the Company and Bell Atlantic Mobile to sublease space on each other's towers in return for a percentage of the rental revenue generated thereby.

Bell Atlantic Mobile's master lease of space on the Company's towers provides that Bell Atlantic Mobile's monthly site rental payments per tower depend on the size of the equipment installed on the tower, the size of the equipment building and the number of antennas. Rents are adjusted periodically based on the Consumer Price Index. The Company performs all work at Bell Atlantic Mobile's sites for tenants, including antennae installation, grounding and foundations. Both of these master lease agreements included rights of first refusal relating to certain spaces on towers leased by one of the parties for which the other party had received a bona fide offer to buy. In connection with the Crown Merger, the parties amended these master lease agreements to eliminate the rights of first refusal, and Bell Atlantic waived any such rights under these agreements that otherwise would have arisen in connection with the Crown Merger.

The Company also leases space on all of Bell Atlantic Mobile's towers in the Pittsburgh MTA (the "Bell Atlantic Agreement"). The terms and conditions of the Company's master lease of space on towers controlled by Bell Atlantic Mobile are substantially similar to Bell Atlantic Mobile's master lease with the Company. The Company may sublease space on a tower controlled by Bell Atlantic Mobile to another tenant, however, if the subtenant is to be AT&T, the Company must receive the written consent of Bell Atlantic Mobile. To date, the Company has 120 sublease contracts on Bell Atlantic Mobile-controlled towers.

Nextel Agreement

On July 11, 1997, in connection with Nextel's proposed merger with PCI, the Company and Nextel entered into the Nextel Agreement (the "Nextel Agreement"), which establishes the framework under which the Company and Nextel will conduct joint operations for the development of infrastructure within the Nextel markets described below. Under the first part of this agreement, the Company has purchased 46 existing towers from Nextel used in digital or analog transmission in the greater metropolitan areas of Denver and Philadelphia and in certain areas of the states of Texas and Florida, for a purchase price of approximately $10.0 million.

In addition to the tower purchase, the Nextel Agreement provides that the Company has the exclusive right and option to (i) develop, construct, own and operate or (ii) purchase and operate, up to 250 new towers within selected metropolitan areas, including Dallas and Houston, and parts of the interstate highway corridors traversing the following states: Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Tennessee, Kentucky, Virginia, Pennsylvania, New York, Ohio, Maryland and New Jersey. This option extends from July 1997 until a minimum of 250 potential sites have been tendered to the Company. At June 30, 1998, Nextel had tendered 142 sites to the Company, 80 of which met the Company's criteria for investing in towers and, therefore, were accepted by the Company. Of these 80 sites, 28 sites are in the permitting process, ten sites have been identified as candidates for purchase and 42 sites have been completed. Nextel will perform all site acquisition work, including entering into agreements with the fee owners of sites. If the Company waives its option to construct or purchase new towers for an identified site tendered to it by Nextel, Nextel may construct the tower itself or contract with a third party for the construction. If the Company exercises its option to construct and own a tower, it will reimburse Nextel for all costs of such site acquisition work. If Nextel constructs a tower and the Company elects to purchase the constructed tower, the Company will reimburse Nextel for all site acquisition and construction costs associated with such towers. Following the completion of construction of each tower, Nextel and the Company will, pursuant to Nextel's master lease agreement, enter into a five-year lease contract with four five-year renewal periods, at the option of Nextel. Nextel has a one-time right of first refusal for a five-year period to lease additional space within one designated 20-foot section of each tower.

If the Company elects to construct a new site, construction is to be completed within a 60-day construction period that will not begin prior to receipt of all regulatory permits and approvals (or a shorter period as mutually agreed). In the event that the Company fails to complete any site within the construction period, Nextel will be entitled to receive liquidated damages for each such failure. If the Company fails to commence or complete construction or to complete the installation of towers and related equipment within the construction period, Nextel may exercise its option to purchase such site at cost (after giving the Company an opportunity to cure). Nextel may terminate the Nextel Agreement if the Company fails to complete construction within the prescribed construction period or if Nextel exercises its purchase option following certain construction delays by the

Company for the greater of five towers or 5% of the aggregate number of total sites committed to within a rolling eight-month period. In addition, the Nextel Agreement provides that it may be terminated by Nextel upon the insolvency or liquidation of CCI and it may be terminated by the Company upon the insolvency or liquidation of Nextel. See "Risk Factors--Reliance on Nextel Agreement".

BellSouth Site Marketing Agreement

On June 25, 1998, CCI and BellSouth Mobility entered into a Site Marketing Agreement (the "BellSouth Site Marketing Agreement") pursuant to which CCI was designated as the exclusive marketing agent for BellSouth's tower sites in the State of Kentucky. CCI will facilitate the processing of site leases and customer equipment installation at BellSouth sites. By mutual agreement, CCI and BellSouth may extend the contract to cover other states. The contract has an initial term of 100 days. After expiration of the initial term, unless BellSouth and CCI shall have entered into an agreement to form a permanent entity for the ownership, utilization and management of BellSouth's tower sites, BellSouth may, at its election, either (i) extend the term of the contract for five years or (ii) grant CCI the right to purchase BellSouth's tower sites in Kentucky at their fair market value (but at not less than $75.0 million). If the contract is not extended or CCI elects not to purchase such tower sites, the contract will expire pursuant to its terms.

Customers

In both its site rental and network services businesses, the Company works with a number of customers in a variety of businesses including PCS, ESMR, paging and broadcasting. The Company works with both large national carriers such as Sprint PCS, Nextel, AT&T/Cellular One, Omnipoint and BellSouth Mobility, and smaller local regional or private operators such as Aerial Communications and Crescent Communications. For the six months ended June 30, 1998, the Company's largest U.S. customers were Sprint PCS and Nextel, together representing 7.7% and 28.7%, respectively, of CCI's site rental revenue and 14.1% and 32.1%, respectively, of CCI's network services revenues. For the six months ended June 30, 1998, no customer accounted for more than 10.0% of CCI's revenues, other than Sprint PCS and Nextel, which accounted for approximately 11.2% and 30.6%, respectively, of CCI's consolidated revenues. Nextel revenues are expected to grow as CCI purchases Nextel towers and builds out Nextel interstate corridor sites. The following is a list of CCI's top ten site rental and network and other services customers, by percentage of revenues for the six months ended June 30, 1998.

CCI'S TOP 10 SITE RENTAL AND NETWORK SERVICES CUSTOMERS

SITE RENTAL	REVENUES FOR SIX MONTHS ENDED JUNE 30, 1998	% OF CCI'S TOTAL SITE RENTAL REVENUES
Nextel	$2,995,989	28.7%
Sprint PCS	803,682	7.7
PageNet	645,128	6.2
Aerial Communications	541,191	5.2
Motorola	344,995	3.3
AT&T Wireless	262,826	2.5
Bell Atlantic Mobile	252,919	2.4
Mobile Communications	224,110	2.1
American Paging	170,827	1.6
USA Mobile	141,348	1.4
Total	$6,383,015	61.1%

NETWORK SERVICES & OTHER	REVENUES FOR SIX MONTHS ENDED JUNE 30, 1998	% OF CCI'S TOTAL NETWORK SERVICES & OTHER REVENUES
Nextel	$4,144,296	32.1%
Sprint PCS	1,819,369	14.1
Omnipoint	1,374,658	10.6
Itron	641,915	5.0
Aerial Communications	413,984	3.2
Hawaiian Wireless	390,133	3.0
AT&T Wireless	298,994	2.3
Bell Atlantic Mobile	203,750	1.6
BellSouth	197,600	1.5
Pagemart	134,100	1.0
Total	$9,618,799	74.4%

As of June 30, 1998, CCI had approximately 2,666 individual leases on its 556 tower and rooftop sites. The following is a list of some of CCI's leading site rental customers by industry segment and the percentage of CCI's June 1998 monthly site rental revenues derived from each industry segment:

CCI'S CUSTOMERS BY INDUSTRY

INDUSTRY	SELECTED CUSTOMERS	NUMBER OF TENANT LEASES	CCI'S JUNE 1998 MONTHLY REVENUES BY INDUSTRY	% OF CCI'S TOTAL JUNE 1998 SITE RENTAL REVENUES
SMR/ESMR	Nextel, SMR Direct	321	$ 524,681	28.7%
Paging	AirTouch Cellular, PageNet, TSR Wireless	824	438,073	24.0
PCS	Aerial Communications, Sprint PCS, Western Wireless	179	241,923	13.2
Private Industrial Users	IBM, Phillips Petroleum	789	199,802	10.9
Cellular	AT&T Wireless, Bell Atlantic Mobile	130	177,153	9.7
Governmental Agencies	FBI, INS, Puerto Rico Police	214	112,491	6.2
Data	Ardis, RAM Mobile Data	92	60,136	3.3
Broadcasting	Hearst Argyle Television, Trinity Broadcasting	54	44,871	2.4
Utilities	Equitable Resources, Nevada Power	47	23,228	1.3
Other	WinStar	16	5,939	0.3
Totals		2,666	$1,828,297	100.0%

Sales and Marketing

CCI's sales and marketing personnel, located in Pittsburgh, Houston, Albuquerque, Atlanta, Philadelphia, Albany, San Juan, Puerto Rico and Sao Paulo, Brazil, target carriers expanding their networks, entering new markets, bringing new technologies to market and requiring maintenance or add-on business. All types of wireless service providers are targeted including broadcast, cellular, paging, PCS, microwave and two-way radio. CCI is also interested in attracting 9-1-1, federal, state, and local government agencies, as well as utility and transportation companies to locate on existing sites. CCI's objective is to pre-sell capacity on CCI's towers by promoting sites prior to construction. Rental space on existing towers is also aggressively marketed and sold.

CCI utilizes numerous public and proprietary databases to develop detailed target marketing programs directed at auction block license awardees, existing tenants and specific market groups. Mailings focus on regional buildouts, new sites and services. The use of databases, such as those with information on sites, demographic data, licenses and deployment status, coupled with measured coverage data and RF coverage prediction software, allows CCI's sales and marketing personnel to target specific carriers' needs for specific sites. To foster productive relationships with its major existing tenants and potential tenants, CCI has formed a team of account relationship managers. These managers work to develop build-to-suit, site leasing services and site management opportunities, as well as ensure that customers' emerging needs are translated into new site products and services.

The marketing department maintains CCI's visibility within the wireless communications industry through regular advertising and public relations efforts including actively participating in trade shows and generating regular press releases, newsletters and targeted mailings (including promotional flyers). CCI's promotional activities range from advertisements and site listings in industry publications to maintaining a presence at national trade shows. Potential clients are referred to CCI's Web site, which contains Company information as well as site listings. In addition, CCI's sites are listed on the Cell Site Express Web site. This Web site enables potential tenants to locate existing structures by latitude, longitude or address. Clients can easily contact CCI via e-mail through the Web site or Cell Site Express. CCI's network services capabilities are marketed in conjunction with its tower footprints.

To follow up on targeted mailings and to cold-call on potential clients, CCI has established a telemarketing department. Telemarketers field inbound and outbound calls and forward leads to local sales representatives or relationship managers for closure. Local sales representatives are stationed in each cluster to develop and foster close business relationships with decision-makers in each customer organization. Sales professionals work with marketing specialists to develop sales presentations targeting specific client demands.

In addition to a dedicated, full-time sales and marketing staff, a number of senior managers spend a significant portion of their efforts on sales and marketing activities. These managers call on existing and prospective customers and also seek greater visibility in the industry through speaking engagements and articles in national publications. Furthermore, many of these managers have been recognized as industry experts, are regularly quoted in articles and are called on to testify at local hearings and to draft local zoning ordinances.

Public and community relations efforts include coordinating community events, such as working with amateur radio clubs to supply emergency and disaster recovery communications, charitable event sponsorship, and promoting charitable donations through press releases.

Competition

In the United States, the Company competes with other independent tower owners, some of which also provide site rental and network services; wireless communications carriers, which own and operate their own tower networks; service companies that provide engineering and site acquisition services; and other potential competitors, such as utilities, outdoor advertisers and broadcasters, some of which have already entered the tower industry. Wireless communications carriers that own and operate their own tower networks generally are substantially larger and have greater financial resources than the Company. The Company believes that tower location, capacity, price, quality of service and density within a geographic market historically have been and will continue to be the most significant competitive factors affecting tower rental companies. The Company also competes for acquisition and new tower construction opportunities with wireless communications carriers, site developers and other independent tower operating companies and believes that competition for tower site acquisitions will increase and that additional competitors will enter the tower market, some of which may have greater financial resources than the Company.

The following is a list of certain of the tower companies that compete with the Company in the United States: American Tower Corporation, Lodestar Communications, Motorola, Specialty Teleconstructors, Pinnacle Tower, SBA Communications, TeleCom Towers (an affiliate of Cox Communications), Unisite and SpectraSite.

The following companies are primarily competitors for the Company's rooftop site management activities in the United States: AAT, APEX, Commsite International, JJS Leasing, Inc., Motorola, Signal One, Subcarrier Communications, Tower Resources Management and Unisite.

The Company believes that the majority of its competitors in the site acquisition business operate within local market areas exclusively, while a small minority of firms appear to offer their services nationally, including SBA Communications Corporation, Whalen & Company and Gearon & Company (a subsidiary of American Tower Corporation). The Company offers its services nationwide and the Company believes it is currently one of the largest providers of site development services to the U.S. and international markets. The market includes participants from a variety of market segments offering individual, or combinations of, competing services. The field of competitors includes site acquisition consultants, zoning consultants, real estate firms, right-of-way consulting firms, construction companies, tower owners/managers, radio frequency engineering consultants, telecommunications equipment vendors (which provide turnkey site development services through multiple subcontractors) and carriers' internal staff. The Company believes that carriers base their decisions on site development services on certain criteria, including a company's experience, track record, local reputation, price and time for completion of a project. The Company believes that it competes favorably in these areas.

U.K. OPERATIONS

The Company, through its 80% interest in CTI, owns and operates one of the world's most established television and radio transmission networks and is expanding its leasing of antenna space on its towers to a variety of wireless communications carriers. The Company provides transmission services for two BBC television services, six national BBC radio services (including the first digital audio broadcast service in the United Kingdom), 37 local BBC radio stations and two national commercial radio services through its network of transmitters, which reach 99.4% of the U.K. population. These transmitters are located on approximately 1,300 towers, more than half of which are Company-owned (or leased or licensed to it by third parties) and the balance of which are licensed to the Company under a site-sharing agreement (the "Site-Sharing Agreement") with NTL, the Company's principal competitor in the United Kingdom. The Company has also secured long-term contracts to provide digital television transmission services to the BBC and BDB. See "--Significant Contracts". In addition to providing transmission services, the Company also leases antenna space on its transmission infrastructure to various communications service providers and provides telecommunications network installation and maintenance services and engineering consulting services.

The Company's core revenue generating activity in the United Kingdom is the analog terrestrial transmission of radio and television programs broadcast by the BBC. CTI's business, which was formerly owned by the BBC, was privatized under the Broadcasting Act 1996 and sold to CTI in February 1997. At the time the BBC Home Service Transmission Business was acquired, CTI entered into a 10-year transmission contract with the BBC for the provision of terrestrial analog television and analog and digital radio transmission services in the United Kingdom. In the twelve months ended June 30, 1998, approximately 61% of CTI's consolidated revenues were derived from the provision of services to the BBC.

Communication Site Footprints

At June 30, 1998, the Company owned, leased or licensed 749 transmission sites on which it operated 754 towers, was constructing eight new towers on existing sites and had 38 site acquisition projects in process for new tower sites. The Company has 54 revenue producing rooftop sites that are occupied by the Company's transmitters but are not available for leasing to customers. The Company's sites are located throughout England, Wales, Scotland and Northern Ireland. The following table indicates, as of June 30, 1998, the type and geographic concentration of the Company's U.K. towers and rooftop sites.

	NUMBER	% OF TOTAL
Towers:		
England	442	54.7%
Wales	128	15.8
Scotland	139	17.2
Northern Ireland	45	5.6
	754	93.3
Rooftops	54	6.7
Total	808	100.0%

The Company expects to significantly expand its existing tower footprints in the United Kingdom by building and acquiring additional towers. The Company believes its existing tower network encompasses many of the most desirable tower locations in the United Kingdom for wireless communications. However, due to the shorter range over which communications signals carry (especially newer technologies such as PCN) as compared to broadcast signals, wireless communications providers require a denser footprint of towers to cover a given area. Therefore, in order to increase the attractiveness of its tower footprints to wireless communications providers, the Company will seek to build or acquire new communications towers. Using its team of over 300 engineers with state-of-the-art network design and radio frequency engineering expertise, the Company locates sites and designs towers that will be attractive to multiple tenants. The Company seeks to leverage such expertise by entering into build-to-suit contracts with various carriers, such as BT, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, Ionica, One2One, Orange and Scottish Telecom, thereby securing an anchor tenant for a site before incurring capital expenditures for the site buildout. As of June 30, 1998, the Company was building eight towers that it will own. In addition, the Company expects to make strategic acquisitions of existing communications sites (primarily those owned by wireless communications operators) in order to expand its infrastructure and to further leverage its site management experience.

The Company believes that it generally has significant capacity on its towers in the United Kingdom. Although approximately 160 of its towers are poles with limited capacity, the Company typically will be able to build new towers that will support multiple tenants on these sites (subject to the applicable planning process). The Company intends to upgrade these limited capacity sites where it believes it can achieve appropriate returns to merit the necessary capital expenditure. For example, in connection with a contract with Vodafone, the Company is upgrading 68 of these sites with limited capacity. See "--Significant Contracts--Vodafone". Approximately 59 of the Company's sites are used for Medium Frequency ("MF") broadcast transmissions. At this frequency, the entire tower is used as the transmitting antenna and is therefore electrically "live". Such towers are therefore unsuitable for supporting other tenant's communications equipment. However, MF sites generally have substantial ground area available for the construction of new multiple tenant towers.

Products and Services

Transmission Business

Analog. For the three months ended June 30, 1998, CTI generated approximately 57% of its revenues from the provision of analog broadcast transmission services to the BBC. Pursuant to the BBC Analog Transmission Contract, the Company provides terrestrial transmission services for the BBC's analog television and radio programs and certain other related services (including BBC digital radio) for an initial 10-year term through March 31, 2007. See "--Significant Contracts". For the twelve months ended June 30, 1998, the BBC Analog Transmission Contract generated revenues of approximately (Pounds)46.6 million ($77.8 million) for the Company.

In addition to the BBC Analog Transmission Contract, the Company has separate contracts to provide maintenance and transmission services for two national radio stations, Virgin Radio and Talk Radio. These contracts are for periods of eight years commencing from, respectively, March 31, 1993 and February 4, 1995.

The Company owns all of the transmission equipment used for broadcasting the BBC's domestic radio and television programs, whether located on one of CTI's sites or on an NTL or other third-party site. As of June 30, 1998, CTI had 3,465 transmitters, of which 2,196 were for television broadcasting and 1,269 were for radio. These transmitters could be analyzed by transmission frequency band as follows:

TRANSMITTER FREQUENCY BAND	NUMBER
UHF television	2,196
VHF/FM national radio	854
VHF/FM local and regional radio	232
MW/LW national and commercial radio*	89
MW local radio	53
MW regional radio	14
DAB	27
Total	3,465

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* Includes eleven transmitters owned by Virgin Radio and Talk Radio but operated and maintained by CTI.

A few of the Company's most powerful transmitters together cover the majority of the U.K. population. The coverage achieved by the less powerful transmitters is relatively low, but is important to the BBC's ambition of attaining universal coverage in the United Kingdom. This is illustrated by the following analysis of the population coverage of the Company's analog television transmitters:

NUMBER OF SITES (RANKED BY COVERAGE)	COMBINED POPULATION COVERAGE
1 (Crystal Palace)	21%
top 16	79
top 26	86
top 51	92
all	99.4

All of the Company's U.K. transmitters are capable of unmanned operation and are maintained by mobile maintenance teams from 27 bases located across the United Kingdom. Access to the sites is strictly controlled for operational and security reasons, and buildings at 140 of the sites are protected by security alarms connected to CTI's Technical Operations Centre at Warwick. The Site-Sharing Agreement provides the Company with reciprocal access rights to NTL's broadcast transmission sites on which the Company has equipment.

Certain of the Company's transmitters that serve large populations or important geographic areas have been designated as priority transmitters. These transmitters have duplicated equipment so that a single failure will not result in total loss of service but will merely result in an output-power reduction that does not significantly degrade the service to most viewers and listeners.

Digital. The Company has entered into contracts with the holders (including the BBC) of four of the six DTT multiplexes allocated by the U.K. government to design, build and operate their digital transmission networks. In connection with the implementation of DTT, new transmission infrastructure will be required. The Company is committed to invest approximately (Pounds)110.0 million ($183.6 million) for the buildout of new infrastructure to support DTT over the next two years. By the year 2000, 81 transmission sites will need to be upgraded with new transmitters and associated systems to support DTT. Of these sites, 49 are owned by the Company with the remainder owned by NTL. Currently, 24 sites are being upgraded. An arrangement similar to that of the Site-Sharing Agreement is being negotiated to govern the sharing of digital transmission sites between the Company and NTL.

CTI's capital costs are expected to be incurred in connection with the acquisition and development of new transmission equipment.

The Company currently is the sole provider of transmission services for digital radio broadcasts in the United Kingdom. In September 1995, the BBC launched its initial DAB scheme over the Company's transmission network, and this service is now broadcast to approximately 60% of the U.K. population. A new independent national digital radio license is scheduled to be awarded in 1998. The Company's existing infrastructure and its experience with the BBC's DAB network position it well to compete to provide transmission services to the winner of this new radio license. In addition, local digital radio licenses will be allocated in late 1998 or early 1999. The Company believes it is similarly well situated to become the transmission service provider to the winners of such licenses.

Site Rental

The BBC transmission network provides a valuable initial footprint for the creation of wireless communications networks. Currently, approximately 200 companies rent antenna space on approximately 405 of CTI's 808 towers and rooftops. These site rental agreements have normally been for three to 12 years and are generally subject to rent reviews every three years. Site sharing customers are generally charged annually in advance, according to rate cards that are based on the antenna size and position on the tower. The Company's largest site rental customer in the United Kingdom is NTL under the Site-Sharing Agreement. This agreement generated (Pounds)551,000 ($919,895) of site rental revenue in June 1998.

The Company also provides a range of site maintenance services in order to support and enhance its U.K. site rental business. The Company believes that by offering services such as antenna, base station and tower maintenance and monitoring, it is able to offer quality services to retain its existing customers and attract future customers to its communications sites. The Company complements its U.K. transmission experience with its site management experience in the United States to provide customers with a top-of-the-line package of service and technical support.

The following table describes the Company's top ten revenue producing towers in the United Kingdom:

NAME	LOCATION	HEIGHT (FT)	NUMBER OF TENANT LEASES	CTI'S JUNE 1998 MONTHLY REVENUE	CTI'S JUNE 1998 MONTHLY REVENUE
Bow Brickhill...........	S. E. England	197	12	(Pounds) 16,092	$ 26,866
Brookmans Park..........	S. E. England	147	10	15,979	26,677
Mendip..................	S. W. England	924	18	15,600	26,044
Crystal Palace..........	London	653	14	13,289	22,186
Hannington..............	S. England	440	11	11,779	19,665
Waltham.................	C. England	954	10	11,089	18,513
Wrotham.................	S. England	379	13	10,777	17,992
Heathfield..............	S. England	443	16	10,516	17,557
Redruth.................	S. W. England	500	15	9,924	16,568
Oxford..................	C. England	507	14	9,720	16,227
Total.................			133	(Pounds)124,765	$208,295

Other than NTL, CTI's largest (by revenue) site rental customers consist mainly of wireless communications carriers such as Cellnet, One2One, Orange and Vodafone. Revenues from these non-BBC sources are expected to become an increasing portion of CTI's total U.K. revenue base, as the acquired BBC Home Service Transmission Business is no longer constrained by governmental restrictions on the BBC's commercial activities. The Company believes that the demand for site rental from communication service providers will increase in line with the expected growth of these communication services in the United Kingdom.

The Company has master lease agreements with all of the major U.K. telecommunications site users including BT, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, Ionica, One2One, Orange, Scottish Telecom and Vodafone. These agreements typically specify the terms and conditions (including pricing and volume discount plans) under which these customers have access to all sites within the Company's U.K. portfolio. Customers make orders for specific sites using the standard terms included in the master lease agreements. There are currently approximately 250 applications in process for installations at existing sites under such agreements.

Network Services

CTI provides broadcast and telecommunications engineering services to various customers in the United Kingdom. All the BBC Home Service Transmission Business employees were retained by the Company upon CTI's acquisition. Accordingly, the Company has engineering and technical staff of the caliber and experience necessary not only to meet the requirements of its current customer base, but also to meet the challenges of developing digital technology. Within the United Kingdom, CTI has worked with several telecommunications operations on design and build projects as they roll-out their networks. CTI has had success in bidding for broadcast consulting contracts, including, over the last three years, in Thailand, Taiwan, Poland and Sri Lanka.

With the expertise of its engineers and technical staff, the Company is a turn-key provider to the wireless communications and broadcast industries. The Company can provide customers with a ready-to-operate network infrastructure or any of the component services involved therein. Such services include network design and site selection, site acquisition, site development and antenna installation.

Network Design and Site Selection. The Company has extensive experience in network design and engineering and site selection. While the Company maintains sophisticated network design services primarily to support the location and construction of Company-owned multiple tenant towers, the Company does from time to time provide network design and site selection services to carriers and other customers on a consulting contract basis. The Company's network design and site selection services provide customers with relevant information including recommendations regarding location and height of towers, appropriate types of antennas, transmission power and frequency selection and related fixed network considerations.

Site Acquisition. In the United Kingdom, the Company is involved in site acquisition services for its own purposes and for third parties. The Company recognizes that the site acquisition phase often carries the highest risk for a project. To ensure the greatest possible likelihood of success and timely acquisition, the Company combines a desktop survey of potential barriers to development with a physical site search that includes initial design analyses, CDM assessments and, where necessary, line-of-sight surveys. The Company leverages off its experience in site acquisition and co-location when meeting with local planning authorities.

Site Development and Antenna Installation. The Company uses a combination of external and internal resources for site construction. The Company's engineers are experienced in both construction techniques and construction management, ensuring an efficient and simple construction phase. Selected civil contractors are managed by CTI staff for the ground works phase. Specialist erection companies, with whom the Company has a long association, are used for tower installation. Final antenna installation is undertaken by the Company's own experienced teams.

Site Management and Other Services. The Company also provides complete site management, preventive maintenance, fault repair and system management services to the Scottish Ambulance Service. It also maintains a mobile radio system for the Greater Manchester Police and provides maintenance and repair services for transmission equipment and site infrastructure.

Significant Contracts

CTI's principal analog broadcast transmission contract is the BBC Analog Transmission Contract. CTI also has entered into two digital television transmission contracts, the BBC Digital Transmission Contract and the BDB Digital Transmission Contract (as defined). CTI also provides facilities to NTL (in its capacity as a broadcast transmission provider to non-CTI customers) under the Site-Sharing Agreement. The Company also has long-term service agreements with broadcast customers such as Virgin Radio and Talk Radio. In addition, CTI has several agreements with telecommunications providers, including leases, site management contracts and independent contractor agreements. The Company has entered into contracts to design and build communications equipment and related infrastructure for customers such as Cellnet, One2One, Orange, Scottish Telecom and Vodafone.

BBC Analog Transmission Contract

CTI entered into a 10-year transmission contract with the BBC for the provision of terrestrial analog television and analog and digital radio transmission services in the United Kingdom at the time the BBC Home Service Transmission Business was acquired, which contract was subsequently amended on July 16, 1998 (the "BBC Analog Transmission Contract"). The BBC Analog Transmission Contract provides for charges of approximately (Pounds)46.5 million ($77.6 million) to be payable by the BBC to CTI for the year ended March 31, 1998 and each year thereafter to the termination date, adjusted annually at the inflation rate less 1%. In addition, for the duration of the contract an annual payment of (Pounds)300,000 ($500,850) is payable by the BBC for additional broadcast-related services. At the BBC's request, since October 1997, the number of television broadcast hours has been increased to 24 hours per day for the BBC's two national television services, which has added over (Pounds)500,000 ($834,750) annually to the payments made by the BBC to the Company.

The BBC Analog Transmission Contract also provides for CTI to be liable to the BBC for "service credits" (i.e., rebates of its charges) in the event that certain standards of service are not attained as a result of what the contract characterizes as "Accountable Faults" or the failure to meet certain "response times" in relation to making repairs at certain key sites. The Company believes that CTI is well-equipped to meet the BBC's service requirements by reason of the collective experience its existing management gained while working with the BBC. Following completion of two formal six-month performance reviews, CTI achieved a 100% "clean sheet" performance, incurring no service credit penalties.

The initial term of the BBC Analog Transmission Contract ends on March 31, 2007. Thereafter, the BBC Analog Transmission Contract may be terminated with 12 months' prior notice by either of the parties, expiring on March 31 in any contract year, from and including March 31, 2007. It may also be terminated earlier (i) by mutual agreement between CTI and the BBC, (ii) by one party upon the bankruptcy or insolvency of the other party within the meaning of section 123 of the Insolvency Act 1986, (iii) upon certain force majeure events with respect to the contract as a whole or with respect to any site (in which case the termination will relate to that site only), (iv) by the non-defaulting party upon a material breach by the other party and (v) upon the occurrence of certain change of control events (as defined in the BBC Analog Transmission Contract).

BBC Commitment Agreement

On February 28, 1997, in connection with the acquisition of the BBC Home Service Transmission Business, the Company, TdF, TeleDiffusion de France S.A., which is the parent company of TdF and DFI ("TdF Parent"), and the BBC entered into the BBC Commitment Agreement (the "BBC Commitment Agreement"), whereby the Company and TdF agreed (i) not to dispose of any shares in CTSH or any interest in such shares (or enter into any agreement to do so) until February 28, 2000; and (ii) to maintain various minimum indirect ownership interests in CTI and CTSH for periods ranging from three to five years commencing February 28, 1997. These provisions restrict the ability of CCIC and TdF to sell, transfer or otherwise dispose of their respective CTSH shares (and, indirectly, their CTI shares). The restrictions do not apply to disposals of which the BBC has been notified in advance and to which the BBC has given its prior written consent, which, subject to certain exceptions, consent shall not be unreasonably withheld or delayed. The BBC has consented to waive the above restrictions both (i) to enable the Company and TdF to enter into the Governance Agreement and the CTSH Shareholders' Agreement and (ii) to allow the exercise of rights under such agreements.

The BBC Commitment Agreement also required TdF Parent and the Company to enter into services agreements with CTI. The services agreement entered into by the Company and CTI is being terminated pursuant to the CTSH Shareholders' Agreement. The services agreement entered into by TdF Parent and CTI (pursuant to which TdF makes available certain technical consultants, executives and engineers to CTI for a minimum term of three years commencing February 28, 1997) is being amended. Upon consummation of the Offering, the term of such services agreement is expected to be extended for four additional years (to February 28, 2004) and thereafter will be terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003. See "The Roll-Up--Roll-Up Agreements--CTI Services Agreement".

BDB Digital Transmission Contract

In 1997, the Independent Television Commission awarded BDB three of the five available commercial digital terrestrial television multiplexes for new program services. The Company bid for and won the 12 year contract from BDB to build and operate its digital television transmission network (the "BDB Digital Transmission Contract"). The contract provides for approximately (Pounds)20.0 million ($33.4 million) of revenue per year from 2001 to 2008, with lesser amounts payable before and after these years and with service credits repayable for performance below agreed thresholds.

BBC Digital Transmission Contract

In 1998, the Company bid for and won the 12 year contract from the BBC to build and operate its digital terrestrial television transmission network (the "BBC Digital Transmission Contract"). This contract provides for approximately (Pounds)10.5 million ($17.5 million) of revenue per year (assuming the BBC commits to the full DTT roll-out contemplated by the BBC Digital Transmission Contract) during the 12 year period, with service credits repayable for performance below agreed thresholds. There is a termination provision during the three-month period following the fifth anniversary of the Company's commencement of digital terrestrial transmission services for the BBC exercisable by the BBC but only if the BBC's Board of Governors determines, in its sole discretion, that DTT in the United Kingdom does not have sufficient viewership to justify continued DTT broadcasts. Under this provision, the BBC will pay the Company a termination fee in cash that substantially recovers the Company's capital investment in the network, and any residual ongoing operating costs and liabilities. Like the BBC Analog Transmission Contract, the contract is terminable upon the occurrence of certain change of control events (as defined in the BBC Digital Transmission Contract).

BT Digital Distribution Contract

Under the BBC Digital Transmission Contract and the BDB Digital Transmission Contract, in addition to providing digital terrestrial transmission services, CTI has agreed to provide for the distribution of the BBC's and BDB's broadcast signals from their respective television studios to CTI's transmission network. Consequently, in May 1998, CTI entered into a distribution contract (the "BT Digital Distribution Contract") with British Telecommunications plc ("BT"), which will expire 12 years after the date on which the Company commences digital terrestrial television transmission services in the United Kingdom (with provisions for extending the term), in which BT has agreed to provide fully duplicated, fiber-based, digital distribution services, with penalties for late delivery and service credits for failure to deliver 99.99% availability.

Site-Sharing Agreement

In order to optimize service coverage and enable viewers to receive all analog UHF television services using one receiving antenna, the BBC, as the predecessor to CTI, and NTL made arrangements to share all UHF television sites. This arrangement was introduced in the 1960s when UHF television broadcasting began in the United Kingdom. In addition to service coverage advantages, the arrangement also minimizes costs and avoids the difficulties of obtaining additional sites.

Under the Site-Sharing Agreement, the party that is the owner, lessee or licensee of each site is defined as the "Station Owner". The other party (the "Sharer") is entitled to request a license to use certain facilities at that site. The Site-Sharing Agreement and each site license provide for the Station Owner to be paid a commercial license fee in accordance with the Site-Sharing Agreement ratecard and for the Sharer to be responsible, in normal circumstances, for the costs of accommodation and equipment used exclusively by it. The Site-Sharing Agreement may be terminated with five years' prior notice by either of the parties and expires on December 31, 2005 or on any tenth anniversary of that date. It may also be terminated (i) following a material breach by either party which, if remediable, is not remedied within 30 days of notice of such breach by the non-breaching party, (ii) on the bankruptcy or insolvency of either party and (iii) if either party ceases to carry on a broadcast transmission business or function.

Negotiations are in progress between the Company and NTL to amend the Site-Sharing Agreement to account for the build-out of digital transmission sites and equipment, a new rate card related to site sharing fees for new digital facilities and revised operating and maintenance procedures related to digital equipment.

Vodafone

On April 16, 1998, under Vodafone's master lease agreement with the Company, Vodafone agreed to locate antennas on 122 of the Company's existing communication sites in the United Kingdom. The first 21 sites are expected to be completed by the end of August 1998. Another 11 sites will require tower strengthening and/or the acquisition of additional land and are expected to take six to nine months to complete. Finally, 68 of the sites presently are composed of a limited capacity tower and will therefore require the construction of new towers, which will require full planning and zoning approvals. These sites are expected to require six to 12 months to complete. After their upgrade, these sites will be able to accommodate additional tenants.

Customers

For the six months ended June 30, 1998, the BBC accounted for approximately 59% of CTI's revenues. This percentage has decreased from 63% in 1997 and is expected to continue to decline as CTI continues to expand its site rental business and as DTT begins to be transmitted. CTI provides all four U.K. PCN/cellular operators (Cellnet, One2One, Orange and Vodafone) with infrastructure services and also provides fixed telecommunications operators, such as BT, Cable & Wireless Communications, Energis, Scottish Telecom and Ionica, with microwave links and backhaul infrastructure. The following is a list of CTI's broadcast service customers and top ten site rental customers by percentage of revenues for the six months ended June 30, 1998:

BROADCAST SERVICES	CTI'S REVENUES FOR SIX MONTHS ENDED JUNE 30, 1998	CTI'S REVENUES FOR SIX MONTHS ENDED JUNE 30, 1998	% OF CTI'S TOTAL BROADCAST SERVICES REVENUES
BBC	(Pounds)26,021,000	$43,442,060	91.6%
British Digital Broadcasting	1,507,000	2,515,936	5.3
Commercial radio services	885,000	1,477,508	3.1
Total	(Pounds)28,413,000	$47,435,504	100.0%

SITE RENTAL	CTI'S REVENUES FOR SIX MONTHS ENDED JUNE 30, 1998	CTI'S REVENUES FOR SIX MONTHS ENDED JUNE 30, 1998	% OF CTI'S TOTAL SITE RENTAL REVENUES
NTL	(Pounds) 3,789,000	$6,325,735	40.2%
Cellnet	910,000	1,519,245	9.6
Vodafone	698,000	1,165,311	7.4
Orange	667,000	1,113,556	7.1
One2One	550,000	918,225	5.8
BBC (non-broadcast)	264,000	440,748	2.8
BT plc	243,000	405,689	2.6
Cable & Wireless Communications	193,000	322,214	2.0
Aerial Sites	152,000	253,764	1.6
BT Mobile Communications	102,000	170,289	1.1
Total	(Pounds) 7,568,000	$12,634,776	80.2%

The following is a list of some of CTI's leading site rental customers by industry segment and the percentage of CTI's June 1998 monthly site rental revenues derived from each industry segment.

INDUSTRY	SELECTED CUSTOMERS	NUMBER OF TENANT LEASES	CTI'S JUNE MONTHLY REVENUES BY INDUSTRY	CTI'S JUNE MONTHLY REVENUES BY INDUSTRY	% OF CTI'S TOTAL JUNE SITE RENTAL REVENUES
Paging	Page One, Hutchinson	181	(Pounds) 54,000	$ 90,153	3.2%
Public Telecommunications	BT, Cable & Wireless Communications	278	126,000	210,357	7.5
PCN	Orange, One2One	304	214,000	357,273	12.8
Cellular	Cellnet, Vodafone	362	280,000	467,460	16.7
PMR/TETRA	National Band 3, Dolphin	97	39,000	65,110	2.3
Governmental Agencies	Ministry of Defense	46	20,000	33,390	1.2
Broadcasting	XFM, BBC, NTL	132	820,000	1,368,990	49.0
Data	RAM Mobile Data, Cognito	55	15,000	25,043	0.9
Other	Aerial Sites, Health Authorities	297	92,000	153,594	5.5
Utilities	Welsh Water, Southern Electric	55	15,000	25,042	0.9
Totals		1,807	(Pounds)1,675,000	$2,796,412	100.0%

Sales and Marketing

The Company has 22 sales and marketing personnel in the United Kingdom who identify new revenue-generating opportunities, develop and maintain key account relationships, and tailor service offering to meet the needs of specific customers. An excellent relationship has been maintained with the BBC, and successful new relationships have been developed with many of the major broadcast and wireless communications carriers in the United Kingdom. The Company has begun to actively cross-sell its products and services so that, for example, site rental customers are also offered build-to-suit services. In addition, the Company recently hired a new Sales & Marketing Director with 10 years of experience in the U.K. and U.S. wireless telecommunications industries.

Competition

NTL, the privatized engineering division of the IBA and now a subsidiary of NTL Inc. (formerly International CableTel Inc.), is CTI's primary competition in the terrestrial broadcast transmission market in the United Kingdom. NTL provides analog transmission services to ITV, Channels 4 and 5, and S4C. It also has been awarded the transmission contract for the new DTT multiplex service from Digital 3 & 4 Limited, and is expected to be awarded a similar contract for the DTT service for SDN (CTI has been awarded similar contracts for the BBC and BDB--serving a total of four multiplexes compared with NTL's two). Since its creation in 1991, NTL has diversified from its core television broadcasting business using its transmission infrastructure to enter into the radio transmission and telecommunications sectors.

Although CTI and NTL are direct competitors, they have reciprocal rights to the use of each others' sites for broadcast transmission usage in order to enable each of them to achieve the necessary country-wide coverage. This relationship is formalized by the Site-Sharing Agreement entered into in 1991, the time at which NTL was privatized.

NTL also offers site rental on approximately 1,000 of its sites (some of which are managed on behalf of third parties). Like CTI, NTL offers a full range of site-related services to its customers, including installation and maintenance. CTI believes its towers to be at least as well situated as NTL's and that it will be able to expand its own third-party site-sharing penetration. CTI also believes that its penetration of this market has to date lagged behind NTL only because of the governmental restrictions on the commercial activities of CTI's business prior to its privatization.

All four U.K. mobile operators own site infrastructure and lease space to other users. Their openness to sharing with direct competitors varies by operator. Cellnet and Vodafone have agreed to cut site costs by jointly developing and acquiring sites in the Scottish Highlands. BT and Cable & Wireless Communications are both major site sharing customers but also compete by leasing their own sites to third-parties. BT's position in the market is even larger when considered in combination with its interest in Cellnet.

Several other companies compete in the market for site rental. These include British Gas, Racal Network Systems, Aerial Sites Plc, Simoco, Relcom Aerial Services and the Royal Automobile Club. Some companies own sites initially developed for their own networks, while others are developing sites specifically to exploit this market.

CTI faces competition from a large number of companies in the provision of network services. The companies include NTL, specialty consultants and equipment manufacturers such as Nortel and Ericsson.

PROPERTIES

In the United States, the Company's interests in its tower sites are comprised of a variety of fee interests, leasehold interests created by long-term lease agreements, private easements and easements, licenses or rights-of-way granted by government entities. In rural areas, a tower site typically consists of a three- to five-acre tract, which supports towers, equipment shelters and guy wires to stabilize the structure. Less then 3,000 square feet are required for a self-supporting tower structure of the kind typically used in metropolitan areas. The Company's land leases generally have five- or ten-year terms and frequently contain one or more renewal options. Some land leases provide "trade-out" arrangements whereby the Company allows the landlord to use tower space in lieu of paying all or part of the land rent. As of June 30, 1998, the Company had approximately 487 land leases. Pursuant to the Senior Credit Facility, the Company's senior lenders have liens on a substantial number of the Company's land leases and other property interests in the United States.

In the United Kingdom, tower sites range from less than 400 square feet for a small rural TV booster station to over 50 acres for a high-power radio station. As in the United States, the site accommodates the towers, equipment buildings or cabins and, where necessary, guy wires to support the structure. Land is either owned freehold, which is usual for the larger sites, or is held on long-term leases that generally have terms of 21 years or more.

LEGAL PROCEEDINGS

The Company is occasionally involved in legal proceedings that arise in the ordinary course of business. Most of these proceedings are appeals by landowners of zoning and variance approvals of local zoning boards. While the outcome of these proceedings cannot be predicted with certainty, management does not expect any pending matters to have a material adverse effect on the Company's financial condition or results of operations.

EMPLOYEES

At June 30, 1998, the Company employed 836 people worldwide. Other than in the United Kingdom, the Company is not a party to any collective bargaining agreements. In the United Kingdom, the Company is party to a collective bargaining agreement with the Broadcast, Entertainment, Cinematographic and Technicians Union. This agreement establishes bargaining procedures relating to the terms and conditions of employment for all of CTI's non-management staff. The Company has not experienced any strikes or work stoppages, and management believes that the Company's employee relations are good.

REGULATORY MATTERS

United States

Federal Regulations. Both the FCC and FAA regulate towers used for wireless communications transmitters and receivers. Such regulations control the siting and marking of towers and may, depending on the characteristics of particular towers, require registration of tower facilities. Wireless communications devices operating on towers are separately regulated and independently licensed based upon the particular frequency used.

The FCC, in conjunction with the FAA, has developed standards to consider proposals for new or modified antenna structures. These standards mandate that the FCC and the FAA consider the height of proposed antenna structures, the relationship of the structure to existing natural or man-made obstructions and the proximity of the antenna structures to runways and airports. Proposals to construct or to modify existing antenna structures above certain heights are reviewed by the FAA to ensure the structure will not present a hazard to aviation. The FAA may condition its issuance of a no-hazard determination upon compliance with specified lighting and/or marking requirements. The FCC will not license the operation of wireless telecommunications devices on towers unless the tower has been registered with the FCC or a determination has been made that such registration is not necessary. The FCC will not register a tower unless it has been cleared by the FAA. The FCC may also enforce special lighting and painting requirements. Owners of wireless transmissions towers may have an obligation to maintain painting and lighting to conform to FCC standards. Tower owners may also bear the responsibility of notifying the FAA of any tower lighting outage. The Company generally indemnifies its customers against any failure to comply with applicable regulatory standards. Failure to comply with the applicable requirements may lead to civil penalties.

The 1996 Telecom Act preempted certain state and local zoning authorities' jurisdiction over the construction, modification and placement of towers. The new law prohibits any action that would (i) discriminate between different providers of personal wireless services or (ii) ban altogether the construction, modification or placement of radio communications towers. Finally, the 1996 Telecom Act requires the federal government to help licensees for wireless communications services gain access to preferred sites for their facilities. This may require that federal agencies and departments work directly with licensees to make federal property available for tower facilities.

Local Regulations. Local regulations include city and other local ordinances, zoning restrictions and restrictive covenants imposed by community developers. These regulations vary greatly, but typically require tower owners to obtain approval from local officials or community standards organizations prior to tower construction. Local zoning authorities generally have been hostile to construction of new transmission towers in their communities because of the height and visibility of the towers.

Licenses Under the Communications Act of 1934. The Company, through certain of its subsidiaries, holds licenses for radio transmission facilities granted by the FCC, including licenses for common carrier microwave and paging services and commercial mobile radio services ("CMRS"), which are subject to additional regulation by the FCC. The Company is required to obtain the FCC's approval prior to the transfer of control of any of its FCC licenses. Consummation of the Offering and the Roll-Up may result in a transfer of control of the Company under the FCC's rules and policies if, after such transactions, over 50% of the voting stock of the Company would be owned by new stockholders. As a precautionary measure, the Company has therefore applied to the FCC for consent to transfer of control of the Company to the post-Roll-Up and Offering stockholders to the extent such transactions would require prior FCC approval. Because it is unlikely that the FCC will act on these applications prior to the consummation of the Offering and the Roll-Up, the Company has requested special temporary authorizations from the FCC to transfer control of its FCC licenses to the post-Roll-Up and Offering stockholders, to the extent required under the FCC's rules and policies, pending the FCC's action on the applications. The FCC has granted such special temporary authorizations to the Company for its common carrier microwave, SMR and private business radio licenses, but has not yet acted on the requests relating to the Company's paging authorizations.

The Company, as the parent company of the licensees of common carrier and CMRS facilities, is also subject to Section 310(b)(4) of the Communications Act of 1934, as amended, which would limit the Company to a maximum of 25% foreign ownership absent a ruling from the FCC that foreign ownership in excess of 25% is in the public interest. In light of the World Trade Organization Agreement on Basic Telecommunications Services ("WTO Agreement"), which took effect on February 5, 1998, the FCC has determined that such investments are generally in the public interest if made by individuals and entities from WTO-member nations. Upon consummation of the Offering and the Roll-Up, the Company will be over 25% foreign owned by companies headquartered in France, the United Kingdom and New Zealand. See "Principal and Selling Stockholders". Each of these nations is a signatory to the WTO Agreement. The Company has petitioned the FCC for approval of up to 49.9% foreign ownership, at least 25% of which will be from WTO-member nations. The Company anticipates that the FCC will rule favorably upon its request prior to consummation of the Offering. Receipt of such approval is a condition to consummation of the Offering.

United Kingdom

Telecommunications systems and equipment used for the transmission of signals over radio frequencies have to be licensed in the United Kingdom. These licenses are issued on behalf of the British Government by the Secretary of State for Trade and Industry under the Telecommunications Act 1984 and the Wireless Telegraphy Acts 1949, 1968 and 1998. CTI has a number of such licenses under which it runs the telecommunications distribution and transmission systems which are necessary for the provision of its transmission services. CTI's operations are subject to comprehensive regulation under the laws of the United Kingdom.

Licenses under the Telecommunications Act 1984

CTI has the following three licenses under the Telecommunications Act 1984:

Transmission License. The Transmission License is a license to run telecommunications systems for the transmission via wireless telegraphy of broadcasting services. This license is for a period of at least twenty-five years from January 23, 1997, and is CTI's principal license. Its main provisions include:

(i) a price control condition covering the provision of all analog radio and television transmission services to the BBC under the BBC Analog Transmission Agreement (for an initial price of approximately (Pounds)44 million for regulated elements of the services provided by CTI under the BBC Analog Transmission Agreement in the year ended March 31, 1997, subject to an increase cap which is 1% below the rate of increase in the Retail Price Index over the previous calendar year). The current price control condition applies until March 31, 2006;

(ii) a change of control provision which requires notification of acquisitions of interest in CTI of more than 20% by a public telecommunications operator or any Channel 3 or Channel 5 licensee, which acquisitions entitle the Secretary of State to revoke the license;

(iii) a site sharing requirement requiring CTI to provide space on its towers to analog and digital broadcast transmission operators and including a power for the Director General of Telecommunications ("OFTEL"), as the regulator, to determine prices if there is failure between the site owner and the prospective site sharer to agree to a price;

(iv) a fair trading provision enabling OFTEL to act against anti-competitive behavior by the licensee; and

(v) a prohibition on undue preference or discrimination in the provision of the services it is required to provide third parties under the Transmission License.

OFTEL is in the process of assessing a complaint made by Classic FM and NTL in respect of certain charges, imposed previously by the BBC under the Site-Sharing Agreement with NTL for the use by Classic FM of BBC radio antennas and passed on to Classic FM by NTL. OFTEL is currently taking the position that the Site-Sharing Agreement did not cover charges for new services to customers such as classic FM, thereby enabling OFTEL to intervene and determine the appropriate rate under the "Applicable Rate" mechanism in CTI's Transmission License, although as of June 15, 1998, it had not yet issued a final decision to this effect. This procedure could result in an amendment to the Site-Sharing Agreement and could in turn lead to a diminution of CTI's income of approximately (Pounds)300,000 per annum (equivalent to approximately 0.4% of revenues and 1.0% of EBITDA for the fiscal year ended March 31, 1997).

CTI is discussing with OFTEL certain amendments to CTI's Telecommunications Act Transmission License to ensure that the price control condition accommodates the provision by CTI of additional contractually agreed upon services to the BBC in return for additional agreed upon payments. See "Risk Factors--Regulatory Compliance and Approval".

The Secretary of State has designated the Transmission License a public telecommunications operator ("PTO") license in order to reserve to himself certain emergency powers for the protection of national security. The PTO designation is, however, limited to this objective. CTI does not have a full domestic PTO license and does not require one for its current activities. The Department of Trade and Industry has, nevertheless, indicated that it would be willing to issue CTI such a license. As a result CTI would gain wider powers to provide services to third parties including public switched voice telephony and satellite uplink and would grant CTI powers to build out its network over public property (so-called "code powers").

General Telecom License. The General Telecom License is a general license to run telecommunications systems and authorizes CTI to run all the necessary telecommunications systems to convey messages to its transmitter sites (e.g., via leased circuits or using its own microwave links). The license does not cover the provision of public switched telephony networks (which would require a PTO license as described above).

Satellite License. The Satellite License is a license to run telecommunications systems for the provision of satellite telecommunication services and allows the conveyance via satellite of messages, including data and radio broadcasting. The license excludes television broadcasting direct to the home via satellite although distribution via satellite of television broadcasting services which are to be transmitted terrestrially is permitted.

Licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998

CTI has three licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998, authorizing the use of radio equipment for the provision of certain services over allocated radio frequencies:

(i) a Broadcasting Services License in relation to the transmission services provided to the BBC, Virgin Radio and Talk Radio;

(ii) a Fixed Point-to-Point Radio Links License; and

(iii) two DAB Test and Development Licenses.

All the existing licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998 have to be renewed annually with the payment of a significant fee. The BBC is obligated under the BBC Analog Transmission Contract and the BBC Digital Transmission Contract to pay most of those fees.

ENVIRONMENTAL MATTERS

The Company's operations are subject to foreign, federal, state and local laws and regulations relating to the management, use, storage, disposal, emission, and remediation of, and exposure to, hazardous and nonhazardous substances, materials and wastes ("Environmental Laws"). As an owner and operator of real property, the Company is subject to certain Environmental Laws that impose strict, joint and several liability for the cleanup of on-site or off-site contamination relating to existing or historical operations, and also could be subject to personal injury or property damage claims relating to such contamination. The Company is potentially subject to cleanup liabilities in both the United States and the United Kingdom.

The Company also is subject to regulations and guidelines that impose a variety of operational requirements relating to RF emissions. The potential connection between RF emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. To date, the results of these studies have been inconclusive. Although the Company has not been subject to any claims relating to RF emissions, it has established operating procedures designed to reduce employee exposures to RF emissions and is presently evaluating certain of its towers and transmission equipment in the United States and the United Kingdom to determine whether RF emission reductions are possible.

In addition, the Company is subject to licensing, registration and related requirements concerning tower siting, construction and operation. In the United States, the FCC's decision to license a proposed tower may be subject to environmental review pursuant to the National Environmental Policy Act of 1969 ("NEPA"), which requires federal agencies to evaluate the environmental impacts of their decisions under certain circumstances. The FCC regulations implementing NEPA place responsibility on each applicant to investigate any potential environmental effects of a proposed operation and to disclose any significant effects on the environment in an environmental assessment prior to commencing construction. In the event the FCC determines that a proposed tower would have a significant environmental impact, the FCC would be required to prepare an environmental impact statement. This process could significantly delay or prevent the registration or construction of a particular tower, or make tower construction more costly. In certain jurisdictions, local laws or regulations may impose similar requirements.

The Company believes that it is in substantial compliance with all applicable Environmental Laws. Nevertheless, there can be no assurance that the costs of compliance with existing or future Environmental Laws will not have a material adverse effect on the Company's business, results of operations, or financial condition.

THE ROLL-UP

GENERAL

On April 24, 1998, the Company entered into a Share Exchange Agreement pursuant to which, concurrently with the consummation of the Offering, (i) all shareholders of CTSH (other than the Company, TdF and DFI) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company. In connection with such exchanges, the Company will exercise warrants to acquire additional shares of capital stock of CTSH and subscribe for additional shares of capital stock of CTSH. Such transactions are collectively referred to herein as the "Exchange". Upon consummation of the Exchange, the Company will own 80.0% of CTSH and TdF will own the remaining 20.0%. Immediately prior to the Exchange, (i) each share of the Company's Existing Class A Common Stock will be converted into 1.523148 shares of Common Stock, (ii) each share of the Company's Existing Class B Common Stock will be reclassified as one share of Common Stock and (iii) each share of the Company's Existing Preferred Stock will be converted into one share of Common Stock.

Upon the consummation of the Offering, after giving effect to the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which is convertible into shares of Common Stock and represents a 10.4% beneficial ownership interest in the Company's Common Stock) and DFI and TdF together will beneficially own 25.0% of the Company's Common Stock (which gives effect to TdF (i) exchanging its shares of, and warrants for, capital stock of CTSH for shares of, and warrants for, Class A Common Stock, (ii) exercising such warrants and (iii) converting such shares of Class A Common Stock into, and DFI converting its shares of Class A Common Stock into, shares of Common Stock (the "TdF Conversions")); (ii) the Candover Group will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".

Following the Roll-Up, TdF will have certain significant governance and other rights with respect to the Company and the CTI business. Subject to certain conditions, TdF's consent will be required for the Company or CTI to undertake certain actions, including making certain acquisitions or dispositions, entering into strategic alliances with certain parties and engaging in certain business combinations. See "Risk Factors--Risks Related to Agreements with TdF" and "--Roll-Up Agreements".

In addition, subject to certain conditions, (i) during the two-year period following consummation of the Offering, TdF will have the right to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio and (ii) on the second anniversary of the consummation of the Offering, the Company will have the right to require TdF to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio; provided, however, that in each case TdF will retain its governance rights with respect to CTI until its ownership interest in the Company falls below 5%. See "Risk Factors--Risks Related to Agreements with TdF", "--Roll-Up Agreements" and "Description of Capital Stock".

ROLL-UP AGREEMENTS

The following descriptions of the Share Exchange Agreement, the Governance Agreement, the Stockholders Agreement, the CTSH Shareholders Agreement and the CTI Operating Agreement (each defined below), which are related to the Roll-Up and to which the Company is a party, are qualified in their entirety by reference to the complete texts of the agreements, each of which has been filed as an exhibit to the registration statement of which this Prospectus forms a part. Certain capitalized terms used but not defined below have the meanings assigned to such terms under "--Certain Definitions" below.

Share Exchange Agreement

On April 24, 1998, the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") with CTSH, TdF, DFI and certain shareholders of CTSH (the "CTSH Shareholders") in order to effect the exchange of certain CTSH ordinary shares, nominal value 1 pence ("CTSH Ordinary Shares"), and CTSH preference shares, nominal value 1 pence each ("CTSH Preference Shares" and, together with the CTSH Ordinary Shares, the "CTSH Shares"), held by DFI and the CTSH Shareholders for shares of Class A Common Stock of the Company, in the case of DFI, and shares of Common Stock of the Company, in the case of the CTSH Shareholders. DFI will exchange 1,620,000,000 CTSH Shares for 11,340,000 shares of Class A Common Stock of the Company and the remaining CTSH Shareholders will exchange, in the aggregate, 2,981,100,000 CTSH Shares for 20,867,700 shares of Common Stock of the Company. The exchange ratio, in the case of each CTSH Shareholder, was 7.0 shares of Common Stock and, in the case of DFI, was 7.0 shares of Class A Common Stock, in each case for one CTSH Ordinary Share together with 999 CTSH Preference Shares. In connection with such exchanges, the Company will exercise warrants for 515,000,000 CTSH Shares at 1 pence per share and subscribe for 10,210,000 CTSH Shares at 2.5 pence per share. Following consummation of the Exchange, the Company and TdF will remain as the only two shareholders of CTSH with the Company and TdF holding 80% and 20%, respectively, of the outstanding capital stock of CTSH.

Governance Agreement

Concurrently with the consummation of the Offering, the Company, TdF and DFI will enter into the Governance Agreement (the "Governance Agreement") to provide for certain rights and obligations of the Company, TdF and DFI with respect to the governance of the Company following the consummation of the Roll-up.

Governance

Subject to certain limitations and conditions described below, super-majority voting requirements or veto rights of TdF may apply in connection with certain actions proposed to be undertaken by the Company as described below.

Super-Majority Voting Requirements. Subject to certain limitations and the termination of such super-majority voting requirements as described in "--Governance Limitations" below, as long as TdF is Qualified, a Special Majority Vote of the Board is required for the Company or any subsidiary of the Company to take any of the following actions:

(i) the amendment of the Certificate of Incorporation or By-laws;

(ii) any acquisition of any assets, business, operations or securities (other than with respect to any redemption of the Senior Convertible Preferred Stock in accordance with its terms) by the Company or any subsidiary thereof by merger, joint venture or otherwise (whether in one transaction or a series of related transactions) other than any such acquisition by the Company or any of its subsidiaries if the Company's and/or any such subsidiary's pro rata Total Enterprise Value in respect of such acquisition, prior to giving effect thereto, is less than or equal to the greater of $20.0 million and 2% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole;

(iii) any disposition (other than with respect to asset swaps) of any assets, business, operations or securities by the Company or any subsidiary thereof (whether in one transaction or a series of related transactions) other than a disposition by the Company or any of its subsidiaries where the Company's and/or any such subsidiary's pro rata Total Enterprise Value in the consideration received in respect of such disposition, prior to giving effect thereto, is less than or equal to the greater of $20.0 million and 2% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole;

(iv) any Strategic Alliance which is material to the Company and its subsidiaries, taken as a whole;

(v) any incurrence, assumption or issuance by the Company or any of its subsidiaries of Indebtedness other than (A) Indebtedness existing on the date of the consummation of the Offering and any Permitted

Indebtedness (including in each case any refinancings which do not increase the principal amount thereof), (B) any other Indebtedness if the Company's Debt to Adjusted Consolidated Cash Flow Ratio at the time of incurrence of such Indebtedness, after giving pro forma effect to such incurrence or issuance as of such date and to the use of proceeds therefrom as if the same had occurred at the beginning of the most recently ended four full fiscal quarterly periods of the Company for which internal financial statements are available, would have been no greater than 5.5 to 1.0 and (C) any refinancing of any Indebtedness the incurrence of which was approved by a Special Majority Vote of the Board, which refinancing does not increase the principal amount of such Indebtedness;

(vi) any transaction between (A) the Company or any of its subsidiaries, on the one hand, and (B) any Stockholder (as defined below) or affiliate of the Company (other than any subsidiary of the Company and other than TdF and its affiliates), on the other hand;

(vii) the issuance of any equity security of the Company or any subsidiaries of the Company (subject to certain limitations, including without limitation, the grant or exercise of certain options to purchase Common Stock to employees, directors or consultants of the Company and the issuance of shares of Common Stock issuable upon conversion of, or in respect of dividends on, the Preferred Stock, or upon exercise of the warrants granted in connection with the issuance of the Preferred Stock (the "Senior Preferred Warrants"));

(viii) any Business Combination entered into by the Company;

(ix) the dissolution of the Company, the adoption of a plan of liquidation of the Company or any action by the Company relating to bankruptcy or insolvency; and

(x) any amendment to the Rights Plan other than any such amendment for the purpose of permitting any transaction which is permitted under the terms of the Governance Agreement or required by applicable law.

Veto Rights. Subject to certain limitations and the termination of such rights as described in "--Governance Limitations" below, TdF has a veto right (the "Veto") over the following actions of the Company or any subsidiary of the Company:

(i) (A) the creation or issuance of any new class of security of the Company or any class of security of a subsidiary of the Company (other than where all such subsidiary's securities are issued to the Company), or any right to acquire such security, (B) the issuance of any Class A Common Stock to any person other than TdF or its affiliates (other than the Company) (the "TdF Group") or (C) any amendment to the Certificate of Incorporation or By-laws (other than any amendment required by applicable law or any ruling or order of any court or governmental body) (including without limitation any such amendment to increase the number of directors constituting the entire Board), with, in the case of clause (A) or (B), the intent or effect of materially adversely affecting the legal rights of TdF under the Governance Agreement or the Stockholders Agreement;

(ii) the acquisition in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred acquisition (whether by merger, consolidation, joint venture, the purchase of stock or assets or otherwise) of a business, operations, securities or assets not in a Permitted Business Line, which acquisition by the Company or any of its subsidiaries if the Company's and/or any such subsidiary's pro rata Total Enterprise Value in respect of such acquisition, immediately prior to giving effect thereto, would constitute more than 10% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole;

(iii) the acquisition in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred acquisition (whether by merger, consolidation, joint venture, the purchase of stock or assets or otherwise) of a business, operations, securities or assets which is (or are) in a Permitted Business Line (other than any part thereof which is not material in relation to the whole of such business, operations, securities or assets), which acquisition, by the Company or any of its subsidiaries if the value of the Company's and/or any such subsidiary's pro rata Total Enterprise Value in respect of such acquisition, immediately prior to giving effect thereto, would constitute, (A) prior to December 31, 1999, the greater of $750.0 million and more than 25% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole and (B) following December 31, 1999, more than 25% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole (it being understood that at the time of any subsequent optional purchase relating to such acquisition the value of the Company's and/or any such subsidiary's pro rata Total Enterprise Value will be the pro forma value of the entire interest);

(iv) any Strategic Alliance with certain parties;

(v) the disposition (other than with respect to asset swaps) in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred disposition of a business or assets, if the value of the Company's and/or any such subsidiary's pro rata Total Enterprise Value in the consideration received in respect of such disposition, immediately prior to giving effect thereto, (including the assumption of any Indebtedness of the Company in connection therewith) exceeds 10% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole; provided, however, that excluded from the foregoing will be any disposition by the Company or any of its subsidiaries of any specific interest of the Company and/or any of its subsidiaries in certain other permitted acquisitions, which interest the Board, as evidenced by resolution duly adopted by the Board prior to such acquisition, firmly intended to dispose of following such acquisition, and which is disposed of by the Company or any subsidiary of the Company within twelve months of such acquisition;

(vi) any Business Combination, except as permitted pursuant to the exercise of the CTSH Option, as described below; and

(vii) the issuance by the Company to any person in one or more transactions of equity securities or the right to purchase equity securities (other than with respect to the Rights issued under the Rights Plan) representing 25% (or if the Company elects by notice in writing to TdF, 30%) (the "Relevant Percentage") or more of the aggregate amount of the outstanding equity securities of the Company (it being understood that any such issuance the consummation of which would result in a Business Combination will be treated solely under the foregoing clause (vi)).

Governance Limitations. Subject to certain conditions, the super-majority requirements described under "--Super-Majority Voting Requirements" above will not apply if there is a vote of the Board under the following circumstances: (i) following the second anniversary of the consummation of Roll-Up, six independent directors have been elected to the Board and vote on the proposed action; provided, however, that one existing independent director previously has been replaced (other than the independent director initially nominated by TdF) , (ii) seven independent directors have been elected to the Board and vote on the proposed action; provided, however, that one existing independent director previously has been replaced (other than the independent director initially nominated by TdF) or (iii) any vote of the Board after the fifth anniversary of the consummation of the Roll-Up.

Subject to certain conditions, following the fifth anniversary of the consummation of the Roll-Up, the Company or any of its subsidiaries may take any of the actions set forth in clauses (ii), (iii), (iv) and (v) under "--Veto Rights" above without the prior written consent of TdF, and following the tenth anniversary of the consummation of the Roll-Up, the Company or any of its subsidiaries may take the action set forth in clauses (i), (vi) and (vii) under "--Veto Rights" above without the prior written consent of TdF. Prior to such fifth or tenth anniversary, as applicable, so long as TdF is Qualified, no action by the Company or any subsidiary may be taken without the prior written consent of TdF other than an action described in clauses (iii) and (iv) under "--Veto Rights" above that, to TdF's knowledge (after having made all reasonable inquiries in the circumstances of appropriate management of the members of the TdF Group), is proposed to be entered into by any member of the TdF Group in competition with, or to the exclusion of, the Company or any subsidiary of the Company. In addition, no member of the TdF Group may enter into any transaction falling within a Permitted Business Line that TdF vetoed within six months after the relevant Veto.

Anti-dilution

Except in certain circumstances described below, as long as TdF remains Qualified, the Company will not issue, sell or transfer any equity securities to any person (other than in connection with the Offering but only to the extent that the consolidated percentage ownership interest of the TdF Group is not thereby reduced to less than 20%) unless TdF is offered in writing the right to purchase, at the same cash price and on the same other terms proposed, an amount of such equity securities as is necessary for the TdF Group to maintain its consolidated percentage ownership in the Company.

The anti-dilutive right set forth above does not apply in a number of circumstances, including without limitation, the grant or exercise of certain options to purchase Common Stock to employees, directors or consultants of the Company and the issuance of shares of Common Stock issuable upon conversion of, or in respect of dividends on, the Preferred Stock, or upon exercise of the Senior Preferred Warrants.

Standstill

Subject to certain exceptions and the time limitations described under "--Time Limitations" below, no member of the TdF Group will, without the prior written consent of the Board: (a) acquire, offer to acquire, or agree to acquire, by purchase, gift or otherwise, the beneficial ownership of any voting securities of the Company if the ownership interest of the TdF Group (the "TdF Group Interest") upon the consummation thereof would be greater than the Relevant Percentage; (b) publicly propose that TdF or any member of the TdF Group enter into, directly or indirectly, any Business Combination involving the Company or propose to purchase, directly or indirectly, a material portion of the assets of the Company or any subsidiary of the Company, or make any such proposal privately (other than any such proposal with respect to CTSH and its assets) if it would reasonably be expected to require the Company to make a public announcement regarding such proposal; (c) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies" (as such terms are used in Regulation 14A promulgated under the Exchange Act) to vote or consent with respect to any voting securities of the Company in opposition to the recommendation of a Special Majority Vote of the Board or become a "participant" in any "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) in opposition to the recommendation of a Special Majority Vote of the Board; (d) act in concert with any person for the purposes prohibited by subparagraph (a) or (b) above; (e) except in accordance with the terms of the Stockholders Agreement, seek election to or seek to place a representative on the Board or seek the removal of any member of the Board; (f) (i) solicit, seek to effect, negotiate with or provide nonpublic information to any other person with respect to or (ii) otherwise make any public announcement or proposal whatsoever with respect to, any form of business combination (with any person) involving a change of control of the Company or the acquisition of a substantial portion of the voting securities and/or equity securities or assets of the Company or any subsidiary of the Company, including a merger, consolidation, tender offer, exchange offer or liquidation of the Company assets, or any restructuring, recapitalization or similar transaction with respect to the Company or any subsidiary of the Company; or (g) publicly disclose any intention, plan or arrangement, or provide advice or assistance to any person, inconsistent with the foregoing.

Transfer Restrictions

Subject to certain time limitations described under "--Time Limitations" below, TdF is subject to certain transfer restrictions on its voting securities of the Company. Subject to certain limitations, such restrictions do not apply to certain transactions, including without limitation, an underwritten public offering, a sale pursuant to Rule 144(e) and Rule 144(f) under the Securities Act and sales upon five business days' prior notice to the Company pursuant to the terms of any tender or exchange offer for voting securities of the Company made pursuant to the applicable provisions of the Exchange Act or pursuant to any business combination. Subject to certain limited exceptions, TdF or any member of the TdF Group desires to transfer to any person 5% or more of the voting securities of the Company, the Company will have the right to purchase all, or any part in excess of such 5%, of the voting securities of the Company for cash at the price at which they are to be transferred.

Voting

Whenever TdF has the right to vote any voting securities of the Company and any person has initiated, proposed or otherwise solicited stockholders of the Company in a "proxy-contest" or any proposal for the election of any member to the Board has received a negative vote, which in either case, has been recommended by a Special Majority Vote of the Board, TdF will be present and vote or consent with respect to all voting securities of the Company beneficially owned by it in the manner recommended by a Special Majority Vote of the Board or, if so requested by a Special Majority Vote of the Board, vote or cause to be voted all voting securities of the Company beneficially owned by it in the same proportion as the votes cast by or on behalf of the other holders of voting securities of the Company.

Time Limitations

The standstill, transfer restriction and voting provisions described above will cease to apply after the fifth anniversary of the consummation of the Roll-Up or the earlier of: (i) any person (other than Berkshire Fund III, A Limited Partnership, Berkshire Investors LLC and Berkshire Fund IV, Limited Partnership, their affiliates and their respective partners or members (the "Berkshire Group")) who holds, in person or as a group, less than the amount permitted to be held by the Berkshire Group without such person constituting an "Acquiring Person" under the Rights Plan beneficially owns or controls 15% or more of the voting securities and/or 15% or more of the outstanding equity securities (other than certain issuances of preferred stock) of the Company without a standstill agreement (which includes customary standstill provisions and terms no more favorable than those to which TdF is subject under the Governance Agreement) being entered into between the Company and such person; (ii) a business combination or other change in control of the Company has occurred or has been agreed to or acquiesced in by the Board or the consummation of (A) certain events described in the BBC Analog Transmission Contract or the BBC Digital Transmission Contract, (B) any bona fide unsolicited written offer by any person to acquire voting securities and/or equity securities of the Company, which, if consummated, or any acquisition by any person of any such securities which, when consummated, results in such person beneficially owning, directly or indirectly, more than the Relevant Percentage of the voting securities and/or equity securities of the Company (an "Unsolicited Offer") or (C) a bona fide unsolicited written offer to acquire a percentage of the equity securities of the Company which, if it were to be consummated or otherwise allowed to occur without the consent or approval of the BBC, would or might result in the BBC having the right to terminate the BBC Analog Transmission Contract or the BBC Digital Transmission Contract (a "Special Business Combination"); (iii) TdF is no longer Qualified; (iv) no voting security of the Company is publicly traded; or (v) the Company has redeemed the Rights under the Rights Plan.

In addition, the standstill and voting provisions described above will be suspended during any period from the date of the commencement by any person (other than TdF or any member of the TdF Group) of an Unsolicited Offer or a Special Business Combination to the date of closing, abandonment or termination of all such Offers (including any offer commenced by TdF or any member of the TdF Group following such suspension) and will thereafter be reinstated as in effect prior to the commencement of any such Unsolicited Offer or Special Business Combination.

CTSH Option

TdF will have the right to exercise the CTSH Option (as defined below) if TdF is Qualified and (i) the Board has approved a Business Combination by a Special Majority Vote, TdF thereafter vetoes such Business Combination and, subsequent to the exercise of the Veto by TdF, a majority of the entire Board (excluding the two TdF Designees) resolves to override such Veto by TdF; (ii) an Unsolicited Offer by any person (other than any member of the TdF Group) has commenced or occurred; or (iii) a Special Business Combination has been commenced by any person (other than any member of the TdF Group). The CTSH Option is exercisable irrevocably by notice in writing given to the Company within five days following agreement between the parties as to, or receipt of notice of the determination of, the fair market value per share of the CTSH Shares and certain warrants to purchase CTSH Shares (the "CTSH Warrants") (assuming the payment of the exercise price of such

Warrants) (the "CTSH Per Share Value"). Upon exercise, TdF will have the option (the "CTSH Option") to (x) acquire for cash by itself or together with any other person, all, but not less than all, the CTSH Shares beneficially owned by the Company (the "Company CTSH Shares") at such CTSH Per Share Value, (y) sell for cash to the Company the CTSH Shares beneficially owned by TdF (the "TdF CTSH Shares") and the CTSH Warrants beneficially owned by TdF (the "TdF CTSH Warrants") at such CTSH Per Share Value or (z) maintain the TdF CTSH Shares and the TdF CTSH Warrants without regard to the event giving rise to the CTSH Option.

In the case of an Unsolicited Offer or a Special Business Combination, if TdF has elected to exercise the CTSH Option pursuant to clause (x) of the first paragraph under "--CTSH Option" and the satisfaction or waiver of certain specified conditions to such CTSH Option has not been obtained under certain circumstances, TdF will have the option to declare the exercise of the CTSH Option pursuant to such clause (x) to be null and void and to exercise the CTSH Option pursuant to either clause (y) or clause (z) of the first paragraph under "--CTSH Option" in lieu thereof.

If the Business Combination is not consummated (or an Unsolicited Offer or Special Business Combination is abandoned or terminated) by reason primarily of the exercise by TdF of the CTSH Option pursuant to clause (x) above, then the Company may nevertheless require TdF to proceed with the purchase (the "Required Purchase") of the Company CTSH Shares at the CTSH Per Share Value, subject to the satisfaction or waiver of certain specified conditions and the non-occurrence prior to the closing of the Required Purchase of (i) any event or development of a state of circumstances or facts which has had or is reasonably likely to have, individually or in the aggregate, a material adverse effect on CTSH and its subsidiaries taken as a whole or (ii)(A) a suspension of trading in the Company's Common Stock by the Commission or Nasdaq or the establishment of limited or minimum prices in trading of securities generally on the New York Stock Exchange, Inc., or Nasdaq or (B) banking moratoriums having been declared either by Federal or New York State authorities. If TdF exercises the CTSH Option pursuant to clause (x) in the first paragraph of this section, TdF may pay all or any part of the purchase price therefor by surrendering to the Company on the closing of such exercise shares of Class A Common Stock (which will be valued at the offer price per share of Common Stock pursuant to the Business Combination, Unsolicited Offer, or Special Business Combination, as applicable, giving rise to the CTSH Option).

Immediately prior to the consummation of any Business Combination, Unsolicited Offer or Special Business Combination, TdF will have the right to require the Company to purchase one-half of the shares of Class A Common Stock held by the TdF Group, as applicable, for cash in an amount equal to the product of (x) the offer price per share of Common Stock pursuant to the Business Combination, Unsolicited Offer or Special Business Combination, as applicable, and (y) one-half of the number of such shares of Class A Common Stock held by the TdF Group.

Put and Call Rights

TdF Put Right. From the date of the Governance Agreement and continuing until the second anniversary of the consummation of the Roll-Up, TdF will have the right in its sole discretion, upon the delivery of a notice (the "TdF Put Notice") by TdF to the Company, to require the Company, subject to the satisfaction of certain specified conditions, (A) subject to proviso (B) in "--Put and Call Limitations" below, to purchase all, but not less than all (except for one CTSH Ordinary Share), of the TdF CTSH Shares beneficially owned by the TdF Group in exchange for that number of shares of Class A Common Stock which is equal to the product of (x) the Exchange Ratio and (y) the number of all (but one CTSH Ordinary Share) of such TdF CTSH Shares (the "TdF Put Shares") and (B) to issue in exchange for the TdF CTSH Warrants (i) the warrants for Company Stock issued to TdF upon exercise of the TdF Put Right (the "TdF CCIC Warrants") for a number of shares of Class A Common Stock which is equal to the product of (x) the Exchange Ratio and (y) the number of TdF CTSH Shares represented by the TdF CTSH Warrants and (ii) 100,000 shares of Class A Common Stock, subject to adjustment in certain circumstances.

Company Call Right. On the second anniversary of the consummation of the Roll-Up (or, if an Unsolicited Offer or Special Business Combination is outstanding on such date, such date as is five days following the termination or abandonment of such Unsolicited Offer or Special Business Combination) unless (i) the closing of the TdF Put Right has previously been consummated, (ii) the weighted average price per share of Common Stock over the five trading days immediately preceding the second anniversary of the date of the consummation of the Roll-Up (the "Common Stock Call Price") is less than or equal to $12 (as adjusted for any stock split, stock dividend, rights offering, recapitalization, reclassification or other similar transaction), or (iii) a Business Combination has been consummated, or an Unsolicited Offer or a Special Business Combination is outstanding or has been consummated and TdF has exercised the CTSH Option pursuant to clause (x) of the first paragraph in CTSH Option section above, the Company will have the right in its sole discretion, upon the delivery of a notice (the "Company Call Notice") by the Company to TdF on such date, to require, subject to the satisfaction of certain specified conditions, subject to proviso (B) in "--Put and Call Limitations" below, TdF to transfer and deliver to the Company all, but not less than all (except for one CTSH Ordinary Share), of the TdF CTSH Shares and the TdF CTSH Warrants beneficially owned by the TdF Group in exchange for the TdF Put Shares, the TdF CCIC Warrants and 100,000 shares of Class A Common Stock, subject to adjustment in certain circumstances.

Put and Call Limitations. Subject to certain conditions, the closing of the Company Call Right or the TdF Put Right, as the case may be, shall take place on the tenth business day after the date on which TdF received the Company Call Notice or the TdF Put Notice, as the case may be. Notwithstanding the foregoing, if (A) (i) a legal prohibition prevents consummation of the Company Call Right or the TdF Put Right, as the case may be, and TdF uses its reasonable best efforts to remove any such legal prohibition, TdF will be deemed to be Qualified for purposes of the Governance Agreement for the lesser of (x) the first anniversary of the date of the Company Call Notice or the TdF Put Notice, as the case may be, and (y) the closing of the Company Call Right or the TdF Put Right, as the case may be, or (ii) the BBC has not approved the exercise of the Company Call Right or the TdF Put Right, as the case may be, or has approved the Company Call Right or the TdF Put Right, as the case may be, subject to conditions which are reasonably deemed by the Company or TdF to be onerous and TdF uses its reasonable best efforts to obtain such BBC approval and to permit the Company to consummate the Company Call Right or the TdF Put Right, as the case may be, TdF will be deemed to be Qualified for purposes of the Governance Agreement for so long as (x) TdF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TdF Consolidated Group Interest is not less than 10.5%; or (B) if the BBC does not approve the exercise of the Company Call Right or the TdF Put Right in whole, as the case may be, or has approved the Company Call Right or the TdF Put Right in whole subject to conditions that are reasonably deemed by the Company or TdF to be onerous, the Company shall be permitted to consummate the Company Call Right or the TdF Put Right in respect of so many of the TdF CTSH Shares and TdF CTSH Warrants as do not require the consent of the BBC, and TdF shall be deemed to be Qualified for purposes of the Governance Agreement for so long as (x) TdF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TdF Consolidated Group Interest is not less than 10.5%.

Stockholders Agreement

Concurrently with the consummation of the Offering, the Company will enter into the Stockholders Agreement (the "Stockholders Agreement") with certain stockholders of the Company (the "Stockholders") to provide for the certain rights and obligations of the Company and the Stockholders with respect to the governance of the Company and the Stockholders' shares of Common Stock or Class A Common Stock, as the case may be, following the consummation of the Exchange.

General Restrictions On Transfers

Each Stockholder has agreed that it will not, directly or indirectly, sell or otherwise transfer any shares of Common Stock (and Class A Common Stock in the case of TdF and DFI) (the "Shares") held by such Stockholder to any of its affiliates or permitted transferees, unless, prior to the consummation of any such sale or transfer, the affiliate or permitted transferee executes the Stockholders Agreement and makes certain specified representations and warranties regarding its ability to execute the Stockholders Agreement.

Subject to certain exceptions, if a sale or transfer of Shares is made by a Stockholder to a third party, such Shares will immediately cease to be subject to the Stockholders Agreement. If a sale or transfer of Shares results in the selling stockholder or its permitted transferees ceasing to own any Shares, such selling stockholder shall cease to be a party to the Stockholders Agreement.

Governance

Board of Directors. The Board will consist of 12 members.

Board Representation. (i) So long as TdF is Qualified, TdF will have the right to appoint two directors pursuant to the terms of the Class A Common Stock set forth in the charter (the "TdF Designees"); provided, however, that if TdF is not Qualified, such members of the TdF Group shall, so long as the ownership interest of the TdF Group is at least 5.0%, have the right to appoint a director pursuant to the terms of such Class A Common Stock (the "TdF Designee"); (ii) so long as the ownership interest of Robert A. Crown, Barbara Crown and their permitted transferees (the "Crown Parties") has a market value of at least $10.0 million, the members of the Crown Parties holding in the aggregate a majority of the aggregate number of Shares held of record by the Crown Parties will have the right to designate one nominee for election as a director (the "Crown Designee"); (iii) so long as the Ted B. Miller, Jr. and his permitted transferees (the "Initial Stockholder Group") maintains an ownership interest, the members of the Initial Stockholder Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Initial Stockholder Group will have the right to designate one nominee for election as a director (the "Initial Stockholder Designee"); (iv) the Chief Executive Officer of the Company will have the right to designate one nominee for election as a director (the "CEO Designee"); (v) so long as the ownership interest of Centennial Fund IV, L.P., Centennial Fund V, L.P., Centennial Entrepreneurs Fund V, L.P., their affiliates and respective partners (the "Centennial Group") is at least 5.0%, members of the Centennial Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Centennial Group will have the right to designate one nominee for election as a director (the "Centennial Designee"); (vi) so long as the ownership interest of the Berkshire Group is at least 5.0%, the members of the Berkshire Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Berkshire Group will have the right to designate one nominee for election as a director (the "Berkshire Designee"); (vii) so long as the ownership interest of Nassau Capital Partners II, L.P., NAS Partners I, L.L.C., their affiliates and their respective partners (the "Nassau Group") is not less than the ownership interest of the Nassau Group immediately following the closing of the Offering, the members of the Nassau Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Nassau Group will have the right to designate one nominee for election as a director (the "Nassau Designee"); and (viii) all directors other than the Designees ("General Directors") will be nominated in accordance with the Certificate of Incorporation and By-laws.

Solicitation and Voting of Shares. With respect to each meeting of stockholders of the Company at which directors are to be elected, the Company will use its best efforts to solicit from the stockholders of the Company eligible to vote in the election of directors proxies in favor of the nominees selected in accordance with the provisions of the Stockholders Agreement (including without limitation the inclusion of each director nominee in management's slate of nominees and in the proxy statement prepared by management of the Company in respect of each annual meeting, vote or action by written consent).

Each Stockholder will vote or act by written consent with respect to (or cause to be voted or acted upon by written consent) (i) all Shares held of record or beneficially owned by such Stockholder at the time of such vote or action by written consent and (ii) all Shares as to which such Stockholder at the time of such vote or action by written consent has voting control, in each case (A) in favor of the election of the persons nominated pursuant to the provisions described in "--Board Representation" above to serve on the Board and (B) against the election of any other person nominated to be a director.

Committees of the Board. Each of the Nominating and Corporate Governance Committee and the Executive Committee will contain, so long as TdF is Qualified, at least one TdF Designee.

Registration Rights

Subject to certain exceptions, limitations and the suspension of such rights by the Company under certain conditions, the Stockholders have been granted certain piggy-back registration rights, demand registration rights, S-3 registration rights and tag-along rights with respect to their shares of Common Stock.

Tag-Along Rights. Subject to certain exceptions, including without limitation in the case of the Offering, any registered sale of securities under the Securities Act or any other sales of securities on the market, if at any time Stockholders holding at least 2% of the voting securities of the Company (the "Initiating Stockholder(s)") determine to sell or transfer 2% or more of the voting securities then issuable or outstanding in one or a series of bona fide arm's-length transactions to a third party who is not an affiliate of any of the Initiating Stockholders, Stockholders may have the opportunity and the right to sell to the purchasers in such proposed transfer (upon the same terms and conditions as the Initiating Stockholders) up to that number of Shares owned by such Stockholder equaling the product of (i) a fraction, the numerator of which is the number of Shares owned by such Stockholder as of the date of such proposed transfer and the denominator of which is the aggregate number of Shares owned by the Initiating Stockholders and by all Stockholders exercising tag-along rights multiplied by (ii) the number of securities to be offered.

Certain Definitions

"Business Combination" shall mean any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), of all or substantially all of the assets of the Company and its Subsidiaries, taken as whole, to any person or (ii) any transaction (including, without limitation, any merger or consolidation) the consummation of which would result in any person (other than any person which becomes a holding company of the Company, all shares in which (other than shares not exceeding the Relevant Percentage) are held by the same persons as were stockholders in the Company prior to such person becoming a holding company of the Company) becoming, directly or indirectly, the beneficial owner of more than 50% of the Voting Securities and/or Equity Securities (other than Customary Preferred Stock) of the Company (measured in the case of Voting Securities by Voting Power rather than number of shares).

"Consolidated Cash Flow" shall mean, with respect to any person for any period, the consolidated net income of such person for such period plus (i) provision for taxes based on income or profits of such person and its Subsidiaries for such period, to the extent that such provision for taxes was included in computing such consolidated net income, plus (ii) consolidated interest expense of such person and its Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with capital lease obligations, imputed interest with respect to attributable Indebtedness, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers acceptance financings, and net payments (if any) pursuant to hedging obligations), to the extent that any such expense was deducted in computing such consolidated net income, plus (iii) depreciation, amortization (including amortization of goodwill and other intangibles and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of such person and its Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such consolidated net income, minus (iv) non-cash items increasing such consolidated net income for such period (excluding any items that were accrued in the ordinary course of business), in each case on a consolidated basis and determined in accordance with U.S. generally accepted accounting principles.

"Debt to Adjusted Consolidated Cash Flow Ratio" shall mean, as of any date of determination, the ratio of (a) the Indebtedness of the Company as of such date to (b) the sum of (1) the Consolidated Cash Flow of the Company for the four most recent full fiscal quarters ending immediately prior to such date for which internal financial statements are available, less the Company's Tower Cash Flow for such four-quarter period, plus (2) the product of four times the Company's Tower Cash Flow for the most recent quarterly period (such sum being referred to as "Adjusted Consolidated Cash Flow"), in each case determined on a pro forma basis after giving effect to all acquisitions or dispositions of assets made by the Company and its Subsidiaries from the beginning of such four-quarter period through and including such date of determination (including any related financing transactions) as if such acquisitions and dispositions had occurred at the beginning of such four-quarter period. For purposes of making the computation referred to above, (i) acquisitions that have been made by the Company or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the reference period or subsequent to such reference period and on or prior to the calculation date shall be deemed to have occurred on the first day of the reference period and Consolidated Cash Flow for such reference period shall be calculated, and (ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with U.S. generally accepted accounting principles, and operations or businesses disposed of prior to the calculation date, shall be excluded.

"Indebtedness" shall mean all obligations, without duplication, (including without limitation hedging obligations), contingent and otherwise, which should, in accordance with U.S. generally accepted accounting principles consistently applied, be classified upon the obligor's consolidated balance sheet as liabilities, including, without limitation, liabilities secured by any mortgage on property owned or acquired subject to such mortgage, and also including, without limitation, (i) all guaranties, endorsements and other contingent obligations, in respect of Indebtedness of others, whether or not the same are or should be so reflected in the said balance sheet, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) a preferred share which is mandatorily redeemable for cash or exchangeable for debt securities and (iii) the present value of any lease payments due under leases required to be capitalized in accordance with applicable Statements of Financial Accounting Standards, determined in accordance with applicable Statements of Financial Accounting Standards; provided that the foregoing shall not include any such obligations with respect to trade payables under 90 days old.

"Permitted Business Line" shall mean (i) the ownership, operation or management (for third party owners or otherwise) of terrestrial wireless communication (including without limitation voice, data and video) infrastructure (including equipment and facilities principally related thereto) and (ii) the provision of infrastructure services principally relating thereto, including but not limited to network transmission and services (it being understood for the avoidance of doubt that the transmission of radio and television broadcasting shall be within the foregoing definition).

"Permitted Indebtedness" shall mean any of the following items of Indebtedness of the Company or any of its Subsidiaries: (i) any Indebtedness under the Senior Credit Facility up to an aggregate principal amount of $100.0 million outstanding at any one time; (ii) Indebtedness represented by the Notes; (iii) Indebtedness under the CTI Credit Facility up to an aggregate principal amount of (Pounds)85.0 million outstanding at any one time; or (iv) Indebtedness represented by the CTI Bonds.

"permitted transferee" of any person shall mean (a) if the transferor is a natural person, (i) in the case of the death of such person, such person's executors, administrators, testamentary trustees, heirs, devisees and legatees, (ii) such person's current or future spouse, parents, siblings or descendants or such parents', siblings' or descendants' spouses (each a "Family Member"), (iii) any trust for the benefit of any Family Member and (iv) any charitable organization described in Section 501(c)(3) of the Code and any charitable income or lead trust for which, under the Code and regulations thereunder and Internal Revenue Service interpretations thereof, an income, gift or estate tax charitable deduction is available to the grantor of the trust, (b) whether or not the transferor is a natural person, a corporation or corporations and a partnership or partnerships (or other entity for collective investment, such as a fund or a limited liability company) which at the date of transfer are directly or indirectly controlled by, controlling or under common control with such person and the officers, employees, general partners and limited partners of such person, and (c) if the transferor, whether or not a natural person, itself received the transferred interest as a permitted transferee as to the original transferor, a permitted transferee of such person is any person, whether or not a natural person, who would be a permitted transferee under subparagraph (a) or (b) above, as to the original transferor; provided that any such transferee shall agree in writing with the Company and the other parties to the Stockholders Agreement to be bound by all of the provisions of the Stockholders Agreement to the same extent as if such transferee were the individual.

TdF will be "Qualified" for purposes of the Governance Agreement if (i) during the period from the date of the consummation of the Roll-Up to (and including) the second anniversary of such date, (A) the TdF Consolidated Group Interest is not at any time less than 10.5%, (B) a Business Combination has not at any time been consummated and (C) there has not occurred a TdF Change of Control and (ii) following the occurrence of such second anniversary without any loss of Qualification by TdF under clauses (i)(A), (B) or (C) preceding, (A) the TdF Put Right has been exercised by TdF on or prior to the second anniversary of the Closing, or the Company Call Right has been exercised by the Company on such second anniversary, (B) the TdF Group Interest is not at any time less than 10.5%, (C) a Business Combination has not at any time been consummated and (D) there has not occurred a TdF Change of Control. Notwithstanding the foregoing, TdF shall also be deemed to be Qualified for purposes of the Governance Agreement in certain circumstances relating to exercise of the TdF Put Right and the Company Call Right as described under "--Governance Agreement--Put and Call Rights--Put and Call Limitations" above.

"Special Majority Vote of the Board" shall mean (i) approval by two-thirds of the entire Board (it being understood that in the event that two-thirds shall not be a whole number, such two-thirds number shall be rounded up to the next integral number) or (ii) at such time as one existing independent director (other than the independent director initially appointed by TdF pursuant to the Stockholders Agreement) is replaced and five independent directors shall have been duly elected and shall have qualified and shall be present, in person or by proxy, and voting, approval by two-thirds of the entire Board (it being understood that in the event that such two-thirds number shall not be a whole number, such two-thirds number shall be rounded down to the next integral number); provided, however, that so long as the number of directors constituting the entire Board is 12, (a) under the circumstances in clause (i) above, "Special Majority Vote of the Board" shall mean the approval of nine directors and (b) under the circumstances in clause (ii) above, "Special Majority Vote of the Board" shall mean the approval of eight directors.

"Strategic Alliance" shall mean any merger, consolidation, joint venture, cooperative agreement or arrangement or co-ownership with, or investment by or in any person. Strategic Alliance shall not, however, include any purchase, lease or disposition for cash to or from any such person of all but not part of certain of the assets (other than securities or other interests in any person) of such person. If such Strategic Alliance also constitutes a Business Combination, such Strategic Alliance shall be deemed to be only a Business Combination for all purposes of the Governance Agreement.

"TdF Change of Control" shall occur if (i) TeleDiffusion de France S.A., which is the parent company of TdF and DFI ("TdF Parent"), does not own, directly or indirectly, at least 30% of TdF, and any other person owns, directly or indirectly, 30% or more of TdF or (ii) France Telecom does not own, directly or indirectly, at least 30% of TdF Parent, and any other person owns, directly or indirectly, 30% or more of TdF Parent and, in each case, such other person conducts a core business in the Company's Permitted Business Line in a geographic area in which the Company conducts more than de minimis business in its Permitted Business Line at the time of the occurrence of the circumstances described in the preceding clauses (i) and (ii).

"TdF Consolidated Group Interest" means the percentage of voting power that is controlled directly or indirectly by the TdF Group or would be controlled directly or indirectly by the TdF Group on the exercise of the TdF Put Right (assuming the exercise of the TdF CTSH Warrants).

"Total Enterprise Value" of any person shall mean, as of any date of determination, the sum (without duplication) of (i) the Total Equity Market Capitalization of such person and (ii) the Indebtedness of such person.

"Total Equity Market Capitalization" of any person shall mean, as of any day of determination, the sum of (i) the product of (A) the aggregate number of outstanding shares of Equity Securities of such person on such day (which shall include any options or warrants on, or securities convertible or exchangeable into, shares of Equity Securities of such person) multiplied by (B) the average closing price of such common stock listed on the New York Stock Exchange, the American Stock Exchange or Nasdaq over the 20 consecutive Business Days immediately preceding such day, plus (ii) the liquidation value of any outstanding shares of preferred stock of such Person on such day, which preferred stock does not constitute Indebtedness for purposes of the Governance Agreement.

"Tower Cash Flow" means the Consolidated Cash Flow of the Company and its subsidiaries that is directly attributable to site rental revenue or license fees paid to lease or sublease space on communications sites owned or leased by the Company, excluding revenue or expenses attributable to non-site rental services provided by the Company or its subsidiaries to lessees of communications sites or revenues derived from the sale of assets.

CTSH Shareholders' Agreement

Concurrently with the consummation of the Offering, CCIC, TdF and CTSH will enter into a Shareholders' Agreement to govern the relationship between CCIC and TdF as shareholders of CTSH (the "CTSH Shareholders' Agreement").

Corporate Governance. The CTSH Shareholders' Agreement establishes that the Board of CTSH will be comprised of six directors, of which CCIC and TdF will each have the right to appoint and remove two directors with the remaining two directors to be mutually agreed upon by CCIC and TdF. Immediately following consummation of the Offering, the Board will consist of Ted B. Miller, Jr., who will serve as Chairman of the Board, Charles C. Green III, Michel Azibert, Michel Combes, George Reese and Alan Rees. CCIC has the right to nominate the chairman, chief executive officer, chief operating officer and chief financial officer of CTSH, subject to approval by a Special Majority Vote of the Board of CCIC.

The affirmative vote of a majority of the Board, including a director nominated by CCIC and a director nominated by TdF, is necessary for the adoption of a resolution. Further, the prior written consent of each of CCIC and TdF, in their capacities as shareholders, is required for the following actions, among others, significant acquisitions and dispositions; issuances of new shares; entry into transactions with shareholders, except pursuant to the CTI Services Agreement and/or the CTI Operating Agreement; entry into new lines of business; capital expenditures outside the budget; entry into banking and other financing facilities; entry into joint venture arrangements; payment of dividends, except for (i) dividends payable in respect of CTSH's redeemable preferred shares and (ii) dividends permitted by CTSH's financing facilities; and establishing a public market for CTSH shares. Similar governance arrangements also apply to CTSH's subsidiaries.

If either CCIC or TdF vetoes a transaction (either at Board or shareholder level), the other shareholder is entitled to pursue that transaction in its own right and for its own account.

Transfer Provisions. Subject to certain exceptions, neither CCIC nor TdF may transfer any interest in shares held in CTSH to a third party. Transfers of shares to affiliated companies are permitted, subject to certain conditions. No shares may be transferred if such transfer would (a) entitle the BBC to terminate either of the BBC contracts, (b) subject CTSH to possible revocation of its licenses under the Telecommunications Act 1984 or the Wireless Telegraphy Acts 1949, 1968 and 1998 or (c) cause CCIC or TdF to be in breach of the Commitment Agreement between the Company, TdF, TdF Parent and the BBC (under which the Company and TdF have agreed to maintain certain minimum ownership levels in CTSH for a period of five years). See "Business--U.K. Operations--Significant Contracts--BBC Commitment Agreement".

In addition, shares may be sold to a third party, subject to a right of first refusal by the other party, after the later of (a) the second anniversary of the closing of the Roll-up, and (b) the expiration of the period for the completion of the TdF Put Right (as defined) or the Company Call Right (as defined). If CCIC purchases TdF's shares pursuant to such right of first refusal, it may elect (instead of paying the consideration in cash) to discharge the consideration by issuing its Common Stock at a discount of 15% to its market value. If the right of first refusal is not exercised, the selling shareholder must procure an offer on the same terms for the shares held by the other party. If the Company elects to issue Common Stock to TdF pursuant to the right of first refusal, TdF will be entitled to certain demand registration rights and tag along rights.

TdF Put Right. TdF has the right to put its shares of CTSH to CCIC for cash (the "TdF Put Right") if there is a change of control of CCIC. Such right is exercisable if (a) TdF has not exchanged its shares pursuant to the Governance Agreement by the second anniversary of the closing of the Roll-Up, or (b) prior to the second anniversary of the closing of the Roll-Up, if TdF has ceased to be Qualified for the purposes of the Governance Agreement.

The consideration payable on the exercise of the TdF Put Right will be an amount agreed between CCIC and TdF or, in the absence of agreement, the fair market value as determined by an independent appraiser.

TdF Exit Right. TdF also has the right after the earlier of (a) the second anniversary of the closing of the Roll-Up, or (b) TdF ceasing to be Qualified for purposes of the Governance Agreement, to require CCIC, upon at least six months' notice, to purchase all, but not less than all, of the shares it beneficially owns in CTSH (the "TdF Exit Right").

The consideration to be paid to TdF, and the manner in which it is calculated, upon exercise of the TdF Exit Right is substantially the same as described upon exercise of the TdF Put Right.

CCIC is entitled to discharge the consideration payable on the exercise of the TdF Exit Right either in cash or by issuing Common Stock to TdF at a discount of 15% to its market value. If CCIC elects to issue Common Stock to TdF on the exercise of the TdF Exit Right, TdF will be entitled to certain demand registration rights and tag-along rights.

CCIC Deadlock Right. CCIC has the right to call TdF's shares of CTSH, subject to certain procedural requirements, for cash if, after the third anniversary of the closing of the Roll-Up, TdF refuses on three occasions during any consecutive six-month period to agree to the undertaking by CTSH of certain types of transactions (including acquisitions and disposals) that would fall within CTSH's core business (the "CCIC Deadlock Right"). The consideration due on the exercise of the CCIC Deadlock Right is payable in cash, the fair market value of the TdF interest to be determined in the same manner described above upon exercise of the TdF Put or Exit Rights.

CCIC Shotgun Right. Provided that TdF has not, pursuant to the Governance Agreement, exchanged its share ownership in CTSH for shares of CCIC, CCIC may (a) by notice expiring on the fifth anniversary of the closing of the Roll-Up, or (b) at any time within 45 days of CCIC becoming aware of a TdF Change of Control (as defined in the Governance Agreement) offer to purchase TdF's shares in CTSH. TdF is required to either sell its shares or agree to purchase CCIC's shares in CTSH at the same price contained in CCIC's offer for TdF's shares of CTSH.

The consummation of any transfer of shares between CCIC and TdF pursuant to any of the transfer provisions described above is subject to the fulfillment of certain conditions precedent, including obtaining all necessary governmental and regulatory consents.

Termination. The Shareholders' Agreement terminates if either CCIC or TdF ceases to be qualified. CCIC remains qualified on the condition that it holds at least 10% of the share capital of CTSH.

CTI Services Agreement

On February 28, 1997, CTI and TdF Parent entered into a Services Agreement (the "CTI Services Agreement") pursuant to which TdF Parent agreed to provide certain consulting services to CTI in consideration for a minimum annual fee of (Pounds)400,000 ($667,800) and reimbursement for reasonable out-of-pocket expenses. TdF Parent has agreed to, among other things, provide the services of ten executives or engineers to CTI on a part-time basis and to provide a benchmarking review of CTI. In addition, TdF Parent has agreed to provide additional services relating to research, development and professional training on terms (including as to price) to be determined.

Upon consummation of the Offering, the term of the CTI Services Agreement is expected to be extended for four additional years (to February 28, 2004) and thereafter will be terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003.

CTI Operating Agreement

The following is a summary of the terms of the CTI Operating Agreement is subject to the negotiation of definitive documentation, although the Company expects such agreement to have the general terms described herein. Under the CTI Operating Agreement (the "CTI Operating Agreement"), the Company will be permitted to develop business opportunities relating to terrestrial wireless communications (including the transmission of radio and television broadcasting) anywhere in the world except the United Kingdom. CTI will be permitted to develop such business opportunities solely in the United Kingdom. The Company and TdF also intend to establish, pursuant to the CTI Operating Agreement, a joint venture to develop digital terrestrial transmission services in the United States. See "Business--U.S. Operations--Network Services--Broadcast Site Rental and Services".

The CTI Operating Agreement will also establish a framework for the provision of business support and technical services to the Company and its subsidiaries (other than CTI) in connection with the development of any international business by the Company. TdF will have the right, if called upon to do so by the Company or CTSH, to provide all or part of such services to the Company and it subsidiaries (other than CTI) in connection with the provision of broadcast transmission services.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to persons who are expected to serve as directors or executive officers and other key personnel of the Company upon consummation of the Offering:

NAME	AGE	POSITIONS WITH THE COMPANY
Ted B. Miller, Jr.	46	Chief Executive Officer and Vice Chairman of the Board of Directors
David L. Ivy	51	President and Director
Charles C. Green, III	52	Executive Vice President and Chief Financial Officer
John L. Gwyn	50	Executive Vice President
Wesley D. Cunningham	38	Vice President, Corporate Controller and Chief Accounting Officer
John Kelly	40	Executive Vice President and Chief Operating Officer of CCI
Alan Rees	55	Chief Operating Officer and Director of CTSH
George E. Reese	47	Chief Financial Officer, Secretary and Director of CTSH
Michel Azibert	42	Director
Bruno Chetaille	44	Director
Robert A. Crown	43	Director
Carl Ferenbach	56	Chairman of the Board of Directors
Randall A. Hack	50	Director
Edward C. Hutcheson, Jr.	52	Director
J. Landis Martin	52	Director
Robert F. McKenzie	54	Director
William A. Murphy	30	Director
Jeffrey H. Schutz	46	Director

Pursuant to the Certificate of Incorporation and By-laws of the Company, the Board of Directors, other than those directors who may be elected by holders of any series of Preferred Stock or holders of the Class A Common Stock, will be classified into three classes of directors, denoted as Class I, Class II and Class III. Messrs. Ferenbach, Schutz and McKenzie will be Class I directors. Messrs. Crown, Murphy and Ivy will be Class II directors, and Messrs. Hack, Hutcheson, Martin and Miller will be Class III directors. The terms of Class I, Class II and Class III directors expire at the annual meetings of stockholders to be held in 1999, 2000 and 2001, respectively. See "Description of Capital Stock--Certificate of Incorporation and Bylaws--Classified Board of Directors and Related Provisions". Messrs. Azibert and Chetaille are expected to be elected to the Board of Directors by the holders of the Class A Common Stock upon consummation of the Roll-Up and the Offering.

TED B. MILLER, JR. has been the Chief Executive Officer since November 1996, Vice Chairman of the Board of Directors since August 1997 and a director of the Company since 1995. Mr. Miller co-founded CTC in 1994. He was the President of the Company and CTC from November 1996 to August 1997. Since February 1997, Mr. Miller has been the Managing Director, Chief Executive Officer and a director of CTI. Mr. Miller is a founding member of InterComp Technologies, L.C., a company providing payroll tax services in the former Soviet Union, and has served on its Board of Managers since 1994. In 1986, Mr. Miller founded Interstate Realty Corporation ("Interstate"), a real estate development and consulting company, and has been its President and Chief Executive Officer since inception. Mr. Miller is a director and/or an officer of each wholly owned subsidiary of the Company.

DAVID L. IVY has been the President of the Company since August 1997, and was elected as a director of the Company in June 1997. From October 1996 to August 1997, he served as Executive Vice President and Chief Financial Officer of the Company. Since 1995, he has been the President of DLI, Inc., a real estate consulting company. From 1993 to 1995, Mr. Ivy was a senior executive with, and later the President and Chief Operating Officer of, J.E. Robert Companies, where he managed a joint venture with Goldman, Sachs & Co. that was established to acquire distressed assets from financial institutions. From 1987 to 1993, Mr. Ivy served as Chairman of the Board of Directors of Interstate. Mr. Ivy is a director of each wholly owned subsidiary of the Company.

CHARLES C. GREEN, III has been an Executive Vice President and Chief Financial Officer of the Company since September 1997. Mr. Green was the President and Chief Operating Officer of Torch Energy Advisors Incorporated ("Torch"), a major energy asset management and outsourcing company, from 1993 to 1995, and Vice Chairman of the Board of Directors and Chief Investment Officer from 1995 to 1996. From 1992 to September 1997, he was an officer, and later the Executive Vice President and Chief Financial Officer, of Bellwether Exploration Company, an oil and gas exploration and production company and an affiliate of Torch. From 1982 to 1992, Mr. Green was President, Chief Operating Officer and Chief Financial Officer of Treptow Development Company, a real estate development company. Mr. Green currently serves on the Board of Directors of Teletouch Communications, Inc. He has been a Chartered Financial Analyst since 1974. Mr. Green is a director and/or officer of each wholly owned subsidiary of the Company.

JOHN L. GWYN has been an Executive Vice President of the Company since August 1997. From February to August 1997, Mr. Gwyn served as Senior Vice President of the Company and CTC. From 1994 to February 1997, Mr. Gwyn was a Vice President and Director of Commercial Real Estate Asset Management of Archon Group, L.P., a real estate asset management company and a wholly owned subsidiary of Goldman, Sachs & Co. From 1989 to 1993, he was a Senior Vice President of The Robert C. Wilson Company, a mortgage banking company.

WESLEY D. CUNNINGHAM has been a Vice President and Chief Accounting Officer of the Company since April 1998. He has been the Corporate Controller of the Company since February 1997. Mr. Cunningham was the Assistant Corporate Controller of Drilex International Inc., an oilfield services company, from 1996 to January 1997. From 1990 to 1996, he was the Manager of Financial Reporting of Maxxam Inc., an aluminum, forest products and real estate company. He has been a Certified Public Accountant since 1984. Mr. Cunningham is an officer of each wholly owned subsidiary of the Company.

JOHN KELLY has been the Executive Vice President and Chief Operating Officer of CCI since July 1998. From January 1990 to July 1998, Mr. Kelly was the President and Chief Operating Officer of Atlantic Cellular Company L.P. ("Atlantic Cellular"). From December 1995 to July 1998, Mr. Kelly was also President and Chief Operating Officer of Hawaiian Wireless, Inc., an affiliate of Atlantic Cellular. Mr. Kelly has served on the board of directors of the Cellular Association of California as well as the Vermont Telecommunications Application Center.

ALAN REES has been the Chief Operating Officer of CTSH and each of its wholly owned subsidiaries since February 1997. He was elected as a director of CTSH and each of its wholly owned subsidiaries in May 1997. From 1994 to 1997, Mr. Rees served as the General Manager of Transmission for the broadcast transmission division of the BBC.

GEORGE E. REESE has been the Chief Financial Officer and Secretary of CTSH and each of its wholly owned subsidiaries since February 1997. He was elected as a director of CTSH and each of its wholly owned subsidiaries in May 1997. Since April 1995, Mr. Reese has served as President of Tatinvest, Inc. and as a principal with Tatinvest, L.L.C., affiliates of Reese Ventures, Inc., an international investment consulting firm which he established in 1995. From 1972 to 1995, Mr. Reese was employed by Ernst & Young, L.L.P. where he was named Partner In Charge of the Houston office's energy department and was appointed Managing Partner of the firm's operations in the former Soviet Union. Mr. Reese was a founder of the Council on Foreign Investment in Russia and was a founding member of the American Chamber of Commerce in Russia.

MICHEL AZIBERT is expected to be elected as a director of the Company upon consummation of the Roll-Up. Mr. Azibert has been International Director of TdF Parent since 1989 and Chief Executive Officer of TdF since 1994. Mr. Azibert took an active role in the preparation of the Media Law enacted in France in 1986. Pursuant to the Governance Agreement, Mr. Azibert is expected to be one of the two directors elected by the holders of the Class A Common Stock.

BRUNO CHETAILLE is expected to be elected as a director of the Company upon consummation of the Roll-Up. Mr. Chetaille has been Chairman and Chief Executive Officer of TdF Parent since 1992. Prior to 1992, Mr. Chetaille was a technical advisor to the President of the French Republic for four years. Pursuant to the Governance Agreement, Mr. Chetaille is expected to be one of the two directors elected by the holders of the Class A Common Stock.

ROBERT A. CROWN founded the Crown Business in 1980 and has been the President since its inception. Mr. Crown is the Chief Executive Officer of Crown Communication and was elected as a director of the Company in August 1997. Mr. Crown has been responsible for the initial construction in Pittsburgh of the Cellular One system, as well as a substantial portion of the Bell Atlantic Mobile system in Pittsburgh. He also negotiated one of the first complete end-to-end build-outs for Nextel for the Pittsburgh MTA. Pursuant to the Stockholders Agreement, Mr. Crown was the nominee of the Crown Parties for election as a director of the Company. Mr. Crown is a director and officer of CCI and each of its wholly owned subsidiaries.

CARL FERENBACH was elected as the Chairman of the Board of Directors of the Company in April 1997. Since its founding in 1986, Mr. Ferenbach has been a Managing Director of Berkshire Partners LLC, a private equity investment firm that manages four investment funds with approximately $750.0 million of capital. Mr. Ferenbach has also served as: a Managing Director of Berkshire Investors LLC ("Berkshire Investors") since its formation in 1996; a Managing Director of Third Berkshire Managers LLC ("Third Berkshire Managers"), the general partner of Third Berkshire Associates Limited Partnership ("Third Berkshire Associates"), the general partner of Berkshire Fund III, A Limited Partnership (Berkshire Fund III), since its formation in 1997 (and was previously an individual general partner of Berkshire Fund III since its formation in 1992); and a Managing Director of Fourth Berkshire Associates LLC ("Fourth Berkshire Associates") the general partner of Berkshire Fund IV, Limited Partnership ("Berkshire Fund IV, collectively with Berkshire Fund III and Berkshire Investors, the "Berkshire Group") since formation in 1996. In addition, Mr. Ferenbach serves as the Chairman of the Board of Directors of CTI, and currently serves on the Board of Directors of Wisconsin Central Transportation Corporation, Tranz Rail Limited, English, Welsh & Scottish Railway Limited, Australian Transport Network Limited and U.S. Can Corporation. Pursuant to the Stockholders Agreement, Mr. Ferenbach was the nominee of Berkshire Group for election as a director of the Company.

RANDALL A. HACK was elected as a director of the Company in February 1997. Since January 1995, Mr. Hack has been a member of Nassau Capital L.L.C., an investment management firm. From 1990 to 1994, he was the President and Chief Executive Officer of Princeton University Investment Company, which manages the endowment for Princeton University. Mr. Hack also serves on the Board of Directors of several private companies. Pursuant to the Stockholders Agreement, Mr. Hack was the nominee of Nassau Group for election as a director of the Company.

EDWARD C. HUTCHESON, JR. has been a director of the Company since 1995, was the Chief Executive Officer of the Company from its inception to October 1996 and was the Chairman of the Board of Directors of the Company from its inception to March 1997. Mr. Hutcheson co-founded CTC in 1994. Since 1997, Mr. Hutcheson has been a principal with HWG Capital, an affiliate of the Houston investment banking firm of Harris Webb & Garrison. During 1994, he was involved in private investment activities leading to the creation of the Company. From 1990 to 1993, he was the President, Chief Operating Officer and a director of Baroid Corporation ("Baroid"), a company engaged the petroleum services business. Mr. Hutcheson also serves on the Board of Directors of Trico Marine Services and Titanium Metals Corporation ("Timet").

J. LANDIS MARTIN was elected as a director of the Company in 1995. Mr. Martin has been Chairman of Timet since 1987 and Chief Executive Officer of Timet since January 1995. Mr. Martin has served as President and Chief Executive Officer of NL Industries, Inc. ("NL"), a manufacturer of specialty chemicals, since 1987 and as a director of NL since 1986. Mr. Martin has served as Chairman of Tremont Corporation ("Tremont") since 1990 and as Chief Executive Officer and a director of Tremont since 1988, a holding company which primarily owns stock in Timet and NL. From 1990 until its acquisition by Dresser Industries, Inc. ("Dresser") in 1994, Mr. Martin served as Chairman of the Board and Chief Executive Officer of Baroid. In addition to Tremont and NL, Mr. Martin is a director of Dresser, which is engaged in the petroleum services, hydrocarbon processing and engineering industries, and Apartment Investment Management Corporation, a real estate investment trust.

ROBERT F. MCKENZIE was elected as a director of the Company in 1996. From 1990 to 1994, Mr. McKenzie was the Chief Operating Officer and a director of OneComm, Inc., a mobile communications provider that he helped found in 1990. From 1980 to 1990, he held general management positions with Northern Telecom, Inc. and was responsible for the marketing and support of its Meridian Telephone Systems and Distributed Communications networks to businesses throughout the western United States. Mr. McKenzie also serves on the Board of Directors of Centennial Communications Corporation.

WILLIAM A. MURPHY is expected to be elected as a director of the Company upon consummation of the Roll-Up. Mr. Murphy has been a Director of Mergers & Acquisitions at Salomon Smith Barney since 1997. From 1990 to 1997, Mr. Murphy held various positions in Mergers & Acquisitions with Salomon Smith Barney.

JEFFREY H. SCHUTZ was elected as a director of the Company in 1995. Mr. Schutz has been a General Partner of Centennial Fund IV and Centennial Fund V, each a venture capital investing fund, since 1994 and 1996, respectively. Mr. Schutz also serves on the Board of Directors of Preferred Networks, Inc. and several other private companies. Pursuant to the Stockholders Agreement, Mr. Schutz was the nominee of Centennial Group for election as a director of the Company.

BOARD COMMITTEES

The Company's Board of Directors has an Executive Committee, a Compensation Committee, a Finance and Audit Committee and a Nominating and Corporate Governance Committee. The Executive Committee, composed of Messrs. Azibert, Crown, Ferenbach, Hack, Miller and Schutz, acts in lieu of the full Board in emergencies or in cases where immediate and necessary action is required and the full Board cannot be assembled. The Compensation Committee, to be composed of Messrs. Ferenbach, Martin, McKenzie and Schutz, establishes salaries, incentives and other forms of compensation for executive officers and administers incentive compensation and benefit plans provided for employees. The Finance and Audit Committee, to be composed of Messrs. Hack, Hutcheson, McKenzie and Murphy, reviews the Company's audit policies and oversees the engagement of the Company's independent auditors, as well as developing financing strategies for the Company and approving outside suppliers to implement these strategies. The Nominating and Corporate Governance Committee, to be composed of Messrs. Azibert, Hutcheson, Martin and Miller, is responsible for nominating new Board members and for an annual review of Board performance. Pursuant to the Governance Agreement, the holders of the Class A Common Stock have the right to appoint at least one member to each of the Executive and Nominating and Corporate Governance Committees.

DIRECTORS' COMPENSATION AND ARRANGEMENTS

All non-management directors of the Company receive compensation for their service as directors ($15,000 and options for 5,000 shares of Common Stock per year), and are reimbursed for expenses incidental to attendance at such meetings. In September 1997, CCIC's Board of Directors approved a fee of $150,000 per annum to the Berkshire Group (half of which is to be paid by CTI) for general consulting services and for the services of Mr. Ferenbach as Chairman of the Board. In addition, Mr. McKenzie received approximately $10,000 in 1996 for specific consulting assignments requested by the Chief Executive Officer. Messrs. Ferenbach and Schutz are indemnified by the respective entities which they represent on CCIC's Board of Directors.

EXECUTIVE COMPENSATION

The following table sets forth the cash and non-cash compensation paid by or incurred on behalf of the Company to its Chief Executive Officer and the four other executive officers (collectively, the "named executive officers") for each of the three years ended December 31, 1997.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION		LONG TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	NUMBER OF SECURITIES UNDERLYING OPTIONS/ SARS (#)(A)	ALL OTHER COMPENSATION ($)
Ted B. Miller, Jr........	1997	$281,575	$ 626,250	625,000	$ --
Chief Executive Officer and	1996	152,600	75,000	--	--
Vice Chairman of the Board of Directors	1995	146,154	--	345,000	--
David L. Ivy.............	1997	200,000	300,000	250,000	--
President and Director	1996	37,500(b)	--	175,000	35,000(c)
	1995	--	--	--	--
Charles C. Green, III....	1997	75,000(d)	--	250,000	--
Executive Vice President and Chief	1996	--	--	--	--
Financial Officer	1995	--	--	--	--
John L. Gwyn.............	1997	160,424(e)	--	225,000	--
Executive Vice President	1996	--	--	--	--
	1995	--	--	--	--
Robert A. Crown..........	1997	109,961(f)	--	--	--
Director and Chief Executive Officer of	1996	--	--	--	--
Crown Communication	1995	--	--	--	--

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(a) All awards are for options to purchase the number of shares of Common Stock indicated.
(b) Mr. Ivy began working for CCIC on October 1, 1996, at an annual salary of $150,000.
(c) Mr. Ivy worked as a consultant to CCIC from May 1996 to September 1996 before joining the Company as an employee in October 1996.
(d) Mr. Green began working for CCIC on September 1, 1997, at an annual salary of $225,000.
(e) Mr. Gwyn began working for CCIC on February 3, 1997, at an annual salary of $175,000.
(f) Mr. Crown began working for the Company upon consummation of the Crown Merger on August 15, 1997, at an annual salary of $275,000.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM (A)	
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/ SARS GRANTED (#)	% OF TOTAL OPTIONS/ SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE	5% ($)	10% ($)
Ted B. Miller, Jr.......	625,000	20.5%	$4.20	5/31/07	$1,650,848	$4,183,574
David L. Ivy...........	250,000	8.2	4.20	5/31/07	660,339	1,673,430
Charles C. Green, III...	250,000	8.2	4.20	8/3/07	660,339	1,673,430
John L. Gwyn............	225,000	7.4	4.20	5/31/07	594,305	1,506,087
Robert A. Crown.........	--	--	--	--	--	--

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(a) The potential realizable value assumes a per-share market price at the time of the grant to be approximately equal to the exercise price with an assumed rate of appreciation of 5% and 10%, respectively, compounded annually for 10 years.

The following table details the December 31, 1997 year end estimated value of each named executive officer's unexercised stock options. All unexercised options are to purchase the number of shares of Common Stock indicated.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR
AND YEAR-END OPTION/SAR VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/ SARS AT YEAR-END(#) EXERCISABLE (E)/ UNEXERCISABLE (U)(A)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS/ SARS AT YEAR-END ($) EXERCISABLE (E)/ UNEXERCISABLE (U)(B)
Ted B. Miller, Jr.......	--	--	407,500(E)	$2,659,010(E)
			562,500(U)	1,860,750(U)
David L. Ivy............	--	--	68,750(E)	306,175(E)
			356,250(U)	1,414,725(U)
Charles C. Green, III...	--	--	-- (E)	-- (E)
			250,000(U)	827,000(U)
John L. Gwyn............	--	--	-- (E)	-- (E)
			225,000(U)	744,300(U)
Robert A. Crown.........	--	--	-- (E)	-- (E)
			-- (U)	-- (U)

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(a) Fifty percent of the options to purchase Common Stock granted in 1994, 1995 and 1996 become exercisable at 10% per year from the date of grant. The other fifty percent of the options vest upon achievement of a stated internal rate of return.
(b) The estimated value of exercised in-the-money stock options held at the end of 1997 assumes a per-share fair market value of $7.50 and per-share exercise prices of $.40, $2.40 and $4.20, as applicable.

Severance Agreements

The Company has entered into severance agreements (the "Severance Agreements") with Messrs. Miller, Ivy, Green, Gwyn, Rees and Reese (the "Executives"). Pursuant to the Severance Agreements, the Company is required to provide severance benefits to the Executives if they are terminated by the Company without Cause (as defined in the Severance Agreements) or the Executives terminate with Good Reason (as defined in the Severance Agreements) (collectively, a "Qualifying Termination"). The Severance Agreements provide for enhanced severance benefits if the Executives incur a Qualifying Termination within the two-year period following a Change in Control (as defined in the Severance Agreements) of the Company (the "Change in Control Period"). Upon a Qualifying Termination that does not occur during the Change in Control Period, an eligible Executive is entitled to (i) a lump sum payment equal to two times the sum of his base salary and annual bonus, (ii) continued coverage under specified welfare benefit programs for two years and (iii) immediate vesting of any outstanding options and restricted stock awards. Upon a Qualifying Termination during the Change in Control Period, an eligible Executive is entitled to (i) receive a lump sum payment equal to three times the sum of his base salary and annual bonus, (ii) continued coverage under specified welfare benefit programs for three years and (iii) immediate vesting of any outstanding options and restricted stock awards.

Crown Arrangements

In connection with the implementation of a management transition at CCI intended to develop and promote the existing management team of CCI and to reduce the dependence on Mr. Crown for day-to-day management at CCI, the Company and Mr. Crown have entered into a Memorandum of Understanding and a related Services Agreement with respect to, among other things, the sale by the Crown Parties of Common Stock in the Offering, the management transition at CCI, continuing service by a designee of the Crown Parties on the Company's Board of Directors and compensation and severance arrangements for Mr. Crown following such time as a successor President and Chief Executive Officer of CCI is appointed. Pursuant to the Services Agreement, Mr. Crown has agreed to continue to serve in a consulting capacity to (and as Chairman of) CCI for a two-year period following the appointment of his successor, and the Company has agreed, for such two-year period, to pay Mr. Crown cash compensation of $300,000 annually, along with certain executive perquisites. At the end of such two-year period, the Company will pay Mr. Crown a severance benefit of $300,000. The Company also agreed to vest all of Mr. Crown's existing stock options, to immediately grant Mr. Crown options to purchase 50,000 shares of Common Stock at $7.50 per share and, upon the closing of the Offering, to grant Mr. Crown options to purchase 625,000 shares of Common Stock at the price to the public in the Offering.

Stock Option Plans

1995 Stock Option Plan

The Company has adopted the 1995 Stock Option Plan, which was reamended on July 1, 1998 (the "1995 Stock Option Plan"). The purpose of the 1995 Stock Option Plan is to advance the interests of the Company by providing additional incentives and motivations which help the Company to attract, retain and motivate employees, directors and consultants. The description set forth below summarizes the general terms of the 1995 Stock Option Plan and the options granted pursuant to the 1995 Stock Option Plan.

Pursuant to the 1995 Stock Option Plan, the Company can grant options to purchase up to 18,000,000 shares of Common Stock. Options granted under the 1995 Stock Option Plan may either be incentive stock options ("ISOs") under Section 422 of the Code or nonqualified stock options. The price at which a share of Common Stock may be purchased upon exercise of an option granted under the 1995 Stock Option Plan will be determined by the Board of Directors and, in the case of nonqualified stock options, may be less than the fair market value of the Common Stock on the date that the option is granted. The exercise price may be paid in cash, in shares of Common Stock (valued at fair market value at the date of exercise), in option rights (valued at the excess of the fair market value of the Common Stock at the date of exercise over the exercise price) or by a combination of such means of payment, as may be determined by the Board.

Employees, directors or consultants of the Company (including its subsidiaries and affiliates) are eligible to receive options under the 1995 Stock Option Plan (although only certain employees are eligible to receive ISOs). The 1995 Stock Option Plan is administered by the Board and the Board is authorized to interpret and construe the 1995 Stock Option Plan. Subject to the terms of the 1995 Stock Option Plan, the Board is authorized to select the recipients of options from among those eligible, to establish the number of shares that may be issued under each option and to take any actions specifically contemplated or necessary or advisable for the administration of the 1995 Stock Option Plan.

No options may be granted under the 1995 Stock Option Plan after July 31, 2005, which is ten years from the date the 1995 Stock Option Plan was originally adopted and approved by the Board and stockholders of the Company. The 1995 Stock Option Plan will remain in effect until all options granted under the 1995 Stock Option Plan have been exercised or expired. The Board, in its discretion, may terminate the 1995 Stock Option Plan at any time with respect to any shares of Common Stock for which options have not been granted. The 1995 Stock Option Plan may be amended by the Board without the consent of the stockholders of the Company, other than as to a material increase in benefits, an increase in the number of shares that may be subject to options under the 1995 Stock Option Plan or a change in the class of individuals eligible to receive options under the 1995 Stock Option Plan. However, no change in any option previously granted under the 1995 Stock Option Plan may be made which would impair the rights of the holder of such option without the approval of the holder.

Pursuant to the 1995 Stock Option Plan, options are exercisable during the period specified in each option agreement; provided, however, that no option is exercisable later than ten years from the date the option is granted. Options generally have been exercisable over a period of ten years from the grant date and vested in equal installments over a four or five year period of service with the Company as an employee, director or consultant. A change in control generally accelerates the vesting of options granted to employees and some of the options vest upon an initial public offering or the achievement of specific business goals or objectives. An option generally must be exercised within 12 months of a holder ceasing to be involved with the Company as an employee, director or consultant as a result of death and within three months if the cessation is for other reasons; however, these periods can be extended by decision of the Board of Directors (other than in the case of an ISO).

Shares of Common Stock subject to forfeited or terminated options again become available for option awards. The Board may, subject to certain restrictions in the 1995 Stock Option Plan (and, in the case of an ISO, in Section 422 of the Code), extend or accelerate the vesting or exercisability of an option or waive restrictions in an option agreement.

The 1995 Stock Option Plan provides that the total number of shares covered by the 1995 Stock Option Plan, the number of shares covered by each option, and the exercise price per share under each option will be proportionately adjusted in the event of a recapitalization, stock split, dividend, or a similar transaction.

No grant of any option will constitute realized taxable income to the grantee. Upon exercise of a nonqualified option, the holder will recognize ordinary income in an amount equal to the excess of the fair market value of the stock received over the exercise price paid therefor and the tax basis in any shares of Common Stock received pursuant to the exercise of such option will be equal to the fair market value of the shares on the exercise date if the exercise price is paid in cash. The Company will generally have a deduction in parity with the amount realized by the holder. The Company has the right to deduct and withhold applicable taxes relating to taxable income realized by the holder upon exercise of a nonqualified option and may withhold cash, shares or any combination in order to satisfy or secure its withholding tax obligation. An ISO is not subject to taxation as income to the employee at the date of grant or exercise and the Company does not get a business deduction as to an ISO; provided, the stock is not sold within two years after the ISO was granted and one year after the ISO was exercised. The ISO is effectively taxed at capital gain rates upon the sale of the stock by the employee. However, if the stock acquired upon exercise of an ISO is sold within two years of the ISO grant date or one year exercise of the date, then it is taxed the same as a Nonqualified Option. Upon the exercise of an ISO, the difference between the value of the stock and the exercise price is recognized as a preference item for alternative minimum tax purposes.

As of July 15, 1998, options to purchase a total of 12,450,615 shares of Common Stock have been granted. Options for 363,125 shares of Common Stock have been exercised, options for 162,500 shares have been forfeited and options for 11,924,990 shares remain outstanding. The outstanding options are for (i) 345,000 shares with an exercise price of $0.40 per share, (ii) 93,750 shares with an exercise price of $1.20 per share, (iii) 50,000 shares with an exercise price of $1.60 per share, (iv) 175,000 shares with an exercise price of $2.40 per share, (v) 1,680,625 shares with an exercise price of $4.20 per share, (vi) 23,135 shares with an exercise price of $4.76 per share, (vii) 200,000 shares with an exercise price of $6.00 per share, (viii) 5,767,480 shares with an exercise price of $7.50 per share and (ix) 3,590,000 shares with an exercise price equal to the price to public in the Offering. The options exercisable at $0.40 per share are fully vested and held by Ted B. Miller, Jr. Upon consummation of the Offering, vested and exercisable options also include options for (i) 63,750 shares at $1.20 per share, (ii) 50,000 shares at $1.60 per share, (iii) 175,000 shares at $2.40 per share, (iv) 1,483,625 shares at $4.20 per share, (v) 23,125 shares at $4.76 per share, (vi) 200,000 shares at $6.00 per share, (vii) 2,704,480 shares at $7.50 per share and (viii) 75,000 shares at the price to public in the Offering. Except for the options for 23,135 shares with an exercise price of $4.76 per share and options for 3,036,250 shares with an exercise price of $7.50, the exercise prices for all of the options were equal to or in excess of the estimated fair value of the Common Stock at the dates on which the numbers of shares and the exercise prices were determined; as such, in accordance with the "intrinsic value based method" of accounting for stock options, the Company did not recognize compensation cost related to the grant of these options. The options for 23,135 shares with an exercise price of $4.76 were issued in 1998 in exchange for services received from nonemployees; as such, the Company will account for the issuance of these options in 1998 based on the fair value of the services received. Options for 3,036,250 shares granted at an exercise price of $7.50 per share (which is below the estimated fair market value at the date of grant) are included in the group of options vesting upon consummation of the Offering. The Company will account for these options in 1998 based upon the fair market value of services received. The remaining options for 2,731,230 shares granted at an exercise price of $7.50 per share (which is below the estimated fair market value at the date of grant) were granted in 1998 and generally are taken into account and vest over five years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Compensation Charges Related to Stock Option Grants".

Since January 1, 1998, the Company has granted to its executive officers and directors options for a total of 2,545,500 shares at an exercise price of $7.50 under the 1995 Stock Option Plan. Mr. Miller received options for 928,000 shares, Mr. Ivy received options for 560,000 shares, Mr. Green received options for 425,000 shares, Mr. Gwyn received options for 75,000 shares, Mr. Crown received options for 137,500 shares and Messrs. Hutcheson, Martin and McKenzie each received 25,000 shares.

CTSH Stock Option Plans

CTSH has established certain stock option plans for the benefit of its employees (the "CTSH Stock Option Plans"). Upon consummation of the Roll-Up, all of the outstanding options to purchase shares of capital stock of CTSH ("CTSH Options") granted pursuant to the CTSH Stock Option Plans will be converted into and replaced by options to purchase shares of the Company's Common Stock ("CCIC Options"). The Company's Board of Directors has adopted each of the CTSH Option Plans. Options granted under the CTSH Stock Options Plans may be adjusted at the discretion of the Company or, in the case of options granted under the CTSH Share Bonus Plan (as defined), the CTSH Trustee (as defined) to take into account any variation of the share capital of the Company subject to the written confirmation of the auditors of the Company that the adjustment in their opinion is fair and reasonable. The description set forth below summarizes the general terms of each of the various plans that constitute the CTSH Stock Options Plans.

Included in CTI's operating expenses for the six months ended June 30, 1998 are noncash compensation charges for (Pounds)1.9 million ($3.2 million) related to the issuance of stock options to certain executives and employees.

CTSH All Employee Share Option Scheme. All outstanding options granted pursuant to the Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme (the "CTSH All Employee Plan") vest upon the consummation of the Offering. Once vested, these options may only be exercised in full and on one occasion. Outstanding options granted pursuant to the CTSH All Employee Plan will lapse if not exercised by the earlier of (i) the first anniversary of the option holder's death, (ii) six months following the termination of the option holder's employment with the Company, (iii) six months following the earlier of (a) a change of control of the Company, (b) the sanctioning by the U.K. courts of a compromise or arrangement pursuant to U.K. Companies Act 1985 section 425 that affects the Common Stock of the Company, (c) a person becoming bound or entitled to acquire the Common Stock of the Company under U.K. Companies Act 1985 sections 428-430 or (d) notice of a general meeting of the stockholders of the Company at which a resolution will be proposed for the purpose of a voluntary winding-up of the Company (each of the foregoing, a "Corporate Event"), (iv) the option holder being adjudicated bankrupt under U.K. law, (v) the surrender of the option or (vi) the seventh anniversary of the grant. There are currently outstanding options to purchase 285,250 shares of Common Stock at a price of (Pounds)1.43 ($2.39) per share, of which an initial refundable deposit of (Pounds)0.715 ($1.20) per share has already been paid by each participant. No additional options will be granted under the CTSH All Employee Plan in the future.

CTSH Management Plan. All outstanding options granted pursuant to the Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme (the "CTSH Management Plan") will vest on the earlier of (i) March 1, 2000 or, if the option holder was not an Eligible Employee (as defined in the CTSH Management Plan) on March 1, 1997, the third anniversary of the date on which the option was granted, (ii) the death of the option holder, (iii) the termination of the option holder's employment with the Company (other than a termination for cause, or the voluntary resignation of the option holder), (iv) a Corporate Event or (v) the sale of the subsidiary or business of the Company in which the option holder is employed. Once vested, these options may be exercised in whole or in part at the discretion of the option holder prior to the lapsing of the option. All options granted pursuant to the CTSH Management Plan will lapse on the earlier of (i) the first anniversary of the option holder's death, (ii) six months after the termination of the option holder's employment with the Company (other than a termination for cause, or the voluntary resignation of the option holder), (iii) immediately upon any other termination of employment, (iv) six months following a Corporate Event, (v) the option holder being adjudicated bankrupt under U.K. law, (vi) the surrender of the option, (vii) failure to satisfy any performance condition established by the board of directors of CTI or (viii) the seventh anniversary of the grant of the option. Currently, there are outstanding options to purchase 1,649,844 shares of Common Stock at prices ranging from (Pounds)1.43 ($2.39) to (Pounds)6.04 ($10.08) per share. No additional options will be granted under the CTSH Management Plan in the future.

CTSH Bonus Share Plan. In connection with the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan (the "CTSH Bonus Share Plan"), CTSH has executed the Employee Benefit Trust (the "CTSH Trust"), a discretionary settlement for the benefit of past and present CTI employees, directors and their families. CTI employees and directors are able to participate in the CTSH Bonus Share Plan by foregoing a portion of their annual bonuses awarded by the Company in consideration for options to purchase shares of the Company's Common Stock held by the CTSH Trust at predetermined prices per share depending upon the year in which the investment is made. The predetermined price for 1997 investment was (Pounds)13.00 ($21.70) per unit (each of which will be converted into seven shares of Common Stock upon consummation of the Roll-Up), and the CTI board has determined that the predetermined price for any investment in 1998 and 1999 will be (Pounds)16.90 ($28.21) and (Pounds)21.97 ($36.68) respectively.

All outstanding options granted pursuant to the CTSH Bonus Share Plan are vested and may be exercised in whole or in part at the discretion of the option holder prior to the lapsing of the option. All options will lapse on the earlier of (i) the first anniversary of the option holder's death, (ii) six months after the termination of the option holder's employment with the Company, (iii) six months following a Corporate Event, (iv) the option holder being adjudicated bankrupt under U.K. law, (v) the surrender of the option or (vi) the seventh anniversary of the grant of the option. In order to satisfy the demand created by the exercise of options granted pursuant to the CTSH Bonus Share Plan, the CTSH Trustee has been granted a call option by the Company ("the U.K. Option Agreement") to purchase up to 149,709 shares of Common Stock from the Company at a price of (Pounds)1.86 ($3.11) per share, the funds for which are to be contributed to the CTSH Trust by CTSH (which has already provided for such payment in its financial statements). Currently there are outstanding options to purchase 149,709 shares of Common Stock from the CTSH Trustee for a nominal sum upon exercise. Following the Offering, CTI employees and directors will continue to be able to effectively invest a proportion of their annual bonuses in Common Stock of the Company under the CTSH Bonus Share Plan for the fiscal years 1998 and 1999. Thereafter, no additional options will be granted under the CTSH Share Bonus Plan. Grants under the CTSH Bonus Share Plan are determined by converting monetary awards into options to purchase shares at predetermined prices.

CTSH Option Grants to Certain Executives. In January and April of 1998, CTSH granted options to purchase a total of 300,000 ordinary shares and 299,700,000 preference shares of CTSH to Ted B. Miller, Jr., David L. Ivy and George E. Reese. Upon consummation of the Offering, these options will vest in full and convert into options to purchase 1,890,000 shares of the Company's Common Stock at an exercise price of (Pounds)1.43 ($2.39) and 210,000 shares of the Company's Common Stock at an exercise price of (Pounds)3.57 ($5.96).

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

1995 INVESTMENTS

On January 11, 1995, Ted B. Miller, Jr. and Edward C. Hutcheson, Jr. (collectively, the "Initial Stockholders") acquired 1,350,000 shares of CTC Class A Common Stock, par value $.01 per share, for $270,000. Also, on January 11, 1995, pursuant to a Securities Purchase and Loan Agreement, dated as of January 11, 1995, among CTC, Centennial Fund IV, Berkshire Fund III, A Limited Partnership (via Berkshire Fund III Investment Corp.), and certain trusts and natural persons which are now members of Berkshire Investors LLC (collectively, the "Berkshire Fund III Group") and J. Landis Martin (collectively, the "CTC Purchasers"), CTC issued to the CTC Purchasers (i) 1,350,000 shares of CTC Class B Common Stock, par value $.01 per share, for $270,000, (ii) 730,380 shares of CTC Series A Convertible Preferred Stock, par value $.01 per share, for $4,382,280 and (iii) $3,867,720 principal amount of CTC Convertible Secured Subordinated Notes for $3,867,720. As of February 1997, all the CTC Convertible Secured Subordinated Notes had been converted into 644,620 shares of Company Series A Convertible Preferred Stock. The proceeds received on January 11, 1995 were used by the Company for the acquisition of towers and ancillary assets from PCI and for working capital.

Pursuant to a Securities Exchange Agreement (the "Securities Exchange Agreement"), dated as of April 27, 1995, among the Company, CTC, the Initial Stockholders and the CTC Purchasers, such parties effectively made CCIC the holding company of CTC and converted some of the obligations of CTC into capital stock of CCIC. Transactions pursuant to the Securities Exchange Agreement included (i) Centennial Fund IV transferring 208,334 shares of CTC Series A Convertible Preferred Stock to Berkshire Fund III Group in exchange for $1,250,004 principal amount of CTC Convertible Secured Subordinated Notes, (ii) Berkshire Fund III Group and J. Landis Martin converting all remaining CTC Convertible Secured Subordinated Notes held by them ($742,452 principal amount) into 123,742 shares of CTC Series A Convertible Preferred Stock, (iii) each of the outstanding shares of capital stock of CTC being exchanged for one share of similar stock of CCIC and (iv) the remaining CTC Convertible Secured Subordinated Notes ($3,125,268 principal amount) becoming convertible into shares of CCIC Series A Convertible Preferred Stock, par value $.01 per share ("Series A Convertible Preferred Stock") (all of which notes were subsequently converted in February 1997).

As a result of the exchange of CTC capital stock for CCIC capital stock, each Initial Stockholder received 675,000 shares of Existing Class A Common Stock, par value $.01 per share, of CCIC, Centennial Fund IV received 1,080,000 shares of Common Stock and 145,789 shares of Series A Convertible Preferred Stock, Mr. Martin received 41,666 shares of Series A Convertible Preferred Stock and Berkshire Fund III Group received 270,000 shares of Common Stock and 666,667 shares of Series A Convertible Preferred Stock. In July 21, 1995, Robert F. McKenzie became a party by amendment to the Securities Exchange Agreement and received 8,333 shares of Series A Preferred Stock.

1996 INVESTMENTS

Pursuant to a Securities Purchase Agreement, dated as of July 15, 1996, among the Company, Berkshire Fund III Group, Centennial Fund IV, J. Landis Martin, Edward C. Hutcheson, Jr. and Robert F. McKenzie, the Company privately placed 864,568 shares of its Series B Convertible Preferred Stock, par value $.01 per share ("Series B Convertible Preferred Stock"), for an aggregate purchase price of $10,374,816. Berkshire Fund III Group paid $6,000,000 for 500,000 shares, Centennial Fund IV paid $3,724,812 for 310,401 shares, Mr. Martin paid $500,004 for 41,667 shares, Mr. Hutcheson paid $99,996 for 8,333 shares and Mr. McKenzie paid $50,004 for 4,167 shares. The proceeds received on July 15, 1996 were used for (i) the purchase of the towers and microwave and SMR businesses from Motorola in Puerto Rico, (ii) an option payment relating to the acquisition of TEA and TeleStructures and (iii) working capital.

1997 INVESTMENTS

Pursuant to a Securities Purchase Agreement, dated as of February 14, 1997, among the Company, Centennial Fund V and Centennial Entrepreneurs Fund V, L.P. (collectively, the "Centennial Fund V Investors"), Berkshire Fund IV, Limited Partnership (via Berkshire Fund IV Investment Corp.), and certain trusts and natural persons which are members of Berkshire Investors LLC (collectively, the "Berkshire Fund IV Group" and, together with Berkshire Fund III Group, the "Berkshire Partners Group"), PNC Venture Corp., Nassau Capital Partners II L.P. ("Nassau Capital"), NAS Partners I L.L.C. ("NAS Partners"), Fay, Richwhite Communications Limited ("Fay Richwhite"), J. Landis Martin and Robert F. McKenzie, the Company privately placed 3,529,832 shares of its Series C Convertible Preferred Stock, par value $.01 per share ("Series C Convertible Preferred Stock"), for an aggregate purchase price of $74,126,472. Centennial Fund V Investors paid $15,464,001 for 736,381 shares, Berkshire Fund IV Group paid $21,809,991 for 1,038,571 shares, PNC Venture Corp. paid $6,300,000 for 300,000 shares, Nassau Group paid an aggregate of $19,499,991 for 928,571 shares, Fay Richwhite paid $9,999,990 for 476,190 shares, Mr. Martin paid $999,999 for 47,619 shares and Mr. McKenzie paid $52,500 for 2,500 shares. The proceeds received on February 14, 1997 were used by the Company to fund a portion of its investment in CTI.

In March 1997, Edward C. Hutcheson, Jr. exercised stock options for 345,000 shares of Common Stock. The Company repurchased these shares and 308,435 shares of his Existing Class A Common Stock for $3,422,118.

In May 1997, in connection with the Company's acquisition of the stock of TeleStructures, TEA and TeleShare, Inc. (the "TEA Companies"), the Company issued 535,710 shares of Common Stock to the shareholders of the TEA Companies: 241,070 shares to Bruce W. Neurohr, 241,070 shares to Charles H. Jones and 53,570 shares to Terrel W. Pugh.

In June 1997, Messrs. Miller and Ivy received special bonuses, related to their services in structuring and negotiating the CTI Investment, including arranging the consortium partners who participated with the Company in the CTI transaction, of $600,000 and $300,000, respectively.

In August 1997, Robert A. Crown and Barbara Crown sold the assets of Crown Communications to, and merged CNSI and CMSI with, subsidiaries of the Company. As consideration for these transactions, the Crowns received a cash payment of $25.0 million, a promissory note of the Company aggregating approximately $76.2 million, approximately $2.3 million to pay certain taxes (part of which amount was paid in September 1997 as a dividend to stockholders of record of CNSI on August 14, 1997), and 7,325,000 shares of Common Stock. In addition, the Company assumed approximately $26.0 million of indebtedness of the Crown Business. The Company repaid the Seller Note in full on October 31, 1997. Robert A. Crown and Barbara Crown are both parties to the Stockholders Agreement and are subject to its restrictions.

Pursuant to a Securities Purchase Agreement, dated as of August 13, 1997, among the Company, American Home Assurance Company ("AHA"), New York Life Insurance Company ("New York Life"), The Northwestern Mutual Life Insurance Company ("Northwestern Mutual"), PNC Venture Corp., J. Landis Martin and affiliates of AHA, the Company privately placed of 292,995 shares of its Senior Convertible Preferred Stock for an aggregate purchase price of $29,299,500, together with warrants to purchase 585,990 shares of Common Stock at $7.50 per share (subject to adjustment, including weighted average antidilution adjustments). AHA and its affiliates paid $15,099,500 for 150,995 shares and warrants to purchase 301,990 shares of Common Stock. New York Life and Northwestern Mutual each paid $6,000,000 for 60,000 shares and warrants to purchase 120,000 shares of Common Stock. PNC Venture Corp. paid $2,000,000 for 20,000 shares and warrants to purchase 40,000 shares of Common Stock. Mr. Martin paid $200,000 for 2,000 and warrants to purchase 4,000 shares of Common Stock. The proceeds received on August 13, 1997 were used by the Company to fund a portion of the Crown Merger and working capital.

Pursuant to a Securities Purchase Agreement, dated as of October 31, 1997, among the Company, Berkshire Partners Group, Centennial Fund V Investors, Nassau Group, Fay Richwhite, Harvard Private Capital Holdings, Inc. ("Harvard"), Prime VIII, L.P. ("Prime") and the prior purchasers of Senior Convertible Preferred Stock (other than affiliates of AHA), an additional 364,500 shares of Senior Convertible Preferred Stock were issued for an aggregate purchase price of $36,450,000, together with warrants to purchase 729,000 shares of Common

Stock at $7.50 per share (subject to adjustment, including weighted average antidilution adjustments). Berkshire Partners Group paid $3,500,000 for 35,000 shares and warrants to purchase 70,000 shares of Common Stock. Centennial V Investors paid $1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. Nassau Group and Fay Richwhite each paid $2,500,000 for 25,000 shares and warrants to purchase 50,000 shares of Common Stock. Harvard paid $14,950,000 for 149,500 shares and warrants to purchase 299,000 shares of Common Stock. Prime paid $5,000,000 for 50,000 shares and warrants to purchase 100,000 shares of Common Stock. AHA paid $1,500,000 for 15,000 shares and warrants to purchase 30,000 shares of Common Stock. New York Life paid $300,000 for 3,000 shares and warrants to purchase 6,000 shares of Common Stock. Northwestern Mutual paid $4,000,000 for 40,000 shares and warrants to purchase 80,000 shares of Common Stock. PNC Venture Corp. paid $1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. J. Landis Martin paid $200,000 for 2,000 shares and warrants to purchase 4,000 shares of Common Stock.

OTHER TRANSACTIONS

Robert J. Coury, a director of Crown Communication, and Crown Communication have entered into a management consulting agreement beginning in October 1997. Pursuant to a Memorandum of Understanding dated July 3, 1998, the compensation payable pursuant to such consulting agreement was increased to $20,000 per month and Mr. Coury was granted options to purchase 60,000 shares of Common Stock at $7.50 per share. See "Management--Executive Compensation--Crown Arrangements". The Company expects to record a noncash compensation charge of $0.6 million related to the issuance of these stock options. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Compensation Charges Related to Stock Option Grants". In addition, pursuant to a Memorandum of Understanding Regarding Management and Governance of CCIC and Crown Communication, dated as of August 15, 1997, Mr. Coury received options for 75,000 shares of Common Stock. Upon consummation of the Offering, all of these options will have vested. In connection with the Crown Merger, Mr. Coury acted as financial advisor to the Crowns and received a fee for such services, paid by the Crowns.

The Company leases office space in a building formerly owned by its Vice Chairman and Chief Executive Officer. Lease payments for such office space amounted to $130,000, $50,000 and $22,000 for the years ended December 31, 1997, 1996 and 1995, respectively. The amount of space leased increased from 6,497 square feet at $23.80 per square foot (or $154,836 in annual rent) to 19,563 square feet at $16.00 per square foot (or $313,008 in annual rent) pursuant to a lease agreement effective November 1, 1997. The lease term is for a period of five years with an option to terminate in the third year or to renew at $18.40 per square foot. The lease also provides the Company a right of first refusal on the entire fifth floor of the building. Interstate Realty Corporation, a company owned by the Company's Vice Chairman and Chief Executive Officer, received a commission of $62,000 in connection with this new lease.

Crown Communication leases its equipment storage and handling facility in Pittsburgh from Idlewood Road Property Company ("Idlewood"), a Pennsylvania limited partnership. HFC Development Corp., a Pennsylvania corporation owned by Mr. Crown's parents, is the general partner of Idlewood. The annual rent for the property is $180,000.

On August 10, 1998, Michel Azibert, who is expected to be elected as a director of the Company upon consummation of the Roll-Up, acquired 50,000 shares of Common Stock for $6.26 per share pursuant to a purchase right assigned to him by the Company. The Company expects to record a noncash compensation charge of $0.6 million related to the transfer of the purchase right. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Compensation Charges Related to Stock Option Grants".

On February 28, 1997, CTI and TdF Parent entered into the CTI Services Agreement pursuant to which TdF Parent agreed to provide certain consulting services to CTI in consideration for a minimal annual fee of (Pounds)400,000 ($670,000) and reimbursement for reasonable out-of-pocket expenses. TdF Parent has agreed to, among other things, provide the services of ten executives or engineers to CTI on a part-time basis and to provide a benchmarking review of CTI. In addition, TdF Parent has agreed to provide additional services relating to research, development and professional training on terms (including as to price) to be determined.

Upon consummation of the Offering, the term of the CTI Services Agreement is expected to be extended for four additional years (to February 28, 2004) and thereafter will be terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003.

PRINCIPAL AND SELLING STOCKHOLDERS

The table below sets forth, after giving effect to the Roll-Up, certain information with respect to the beneficial ownership of Capital Stock by (i) each person who is known by the Company to be the beneficial owner of more than 5% of any class or series of Capital Stock of the Company, (ii) each of the directors and executive officers of the Company and all directors and executive officers as a group and (iii) each of the Selling Stockholders. This table also gives effect to shares that may be acquired pursuant to options and warrants, as described in the footnotes below.

		SHARES BENEFICIALLY OWNED PRIOR TO THE OFFERING		NUMBER OF SHARES	SHARES BENEFICIALLY OWNED AFTER THE OFFERING		PERCENTAGE OF TOTAL VOTING POWER AFTER THE
EXECUTIVE OFFICERS AND DIRECTORS(A)	TITLE OF CLASS	NUMBER(B)	PERCENT	OFFERED	NUMBER(B)	PERCENT	OFFERING(C)
Ted B. Miller, Jr.	Common Stock(d)	4,051,125	5.5%	--(e)	4,051,125	4.0%	3.6%
David L. Ivy...........	Common Stock(f)	1,380,000	1.9	--(e)	1,380,000	1.4	1.3
Charles C. Green, III...	Common Stock(g)	675,000	1.0	--(e)	675,000	*	*
John L. Gwyn...........	Common Stock(h)	132,500	*	--(e)	132,500	*	*
Robert A. Crown(i)......	Common Stock	7,462,500	10.6	3,750,000	3,712,500	3.8	3.4
Michel Azibert(j).......	Common Stock	50,000	*	--	50,000	*	*
Bruno Chetaille(k)......	Common Stock	--	--	--	--	--	--
Carl Ferenbach(l).......	Common Stock(m)	20,735,455	29.5	--	20,735,455	21.2	19.0
Garth A. Greimann(n)....	Common Stock(o)	20,710,455	29.4	--	20,710,455	21.2	18.9
Randall A. Hack(p)......	Common Stock(q)	5,080,080	7.2	--	5,080,080	5.2	4.7
David C. Hull, Jr.(r)...	Common Stock(s)	9,812,040	13.9		9,812,040	10.0	9.0
Edward C. Hutcheson, Jr.(t)................	Common Stock(u)	650,000	1.0	--	650,000	*	*
J. Landis Martin(v).....	Common Stock(w)	836,035	1.2	--	836,035	*	*
Robert F. McKenzie(x)...	Common Stock(y)	197,500	*	--	197,500	*	*
William A. Murphy(z)....	Common Stock	--	--	--	--	--	--
Jeffrey H. Schutz(aa)...	Common Stock(bb)	9,837,040	14.0	--	9,837,040	10.1	9.0
Directors and Executive Officers as a group (13 persons total).........	Common Stock(cc)	51,087,235	72.5	3,750,000	47,337,235	48.5	43.3
BERKSHIRE(dd)							
Berkshire Fund III, A Limited Partnership....	Common Stock(ee)	6,095,450	8.7	--	6,095,450	6.2	5.6
Berkshire Fund IV, Limited Partnership....	Common Stock(ff)	12,996,055	18.5	--	12,996,055	13.3	11.9
Berkshire Investors LLC...................	Common Stock(gg)	1,619,300	2.3	--	1,619,300	1.7	1.5
CANDOVER(hh)							
Candover Investments, plc....................	Common Stock	2,537,380	3.6	--	2,537,380	2.6	2.3
Candover (Trustees) Limited...............	Common Stock	255	*	--	255	*	*
Candover Partners Limited...............	Common Stock	8,792,565	12.5	--	8,792,565	9.0	8.1
CENTENNIAL(ii)							
Centennial Fund IV, L.P.(jj)..............	Common Stock	5,965,340	8.5	--(e)	5,965,340	6.1	5.5
Centennial Fund V, L.P.(kk)..............	Common Stock	3,731,285	5.3	--(e)	3,731,285	3.8	3.4
Centennial Entrepreneurs Fund V, L.P.(ll).......	Common Stock	115,415	*	--(e)	115,415	*	*
NASSAU(mm)							
Nassau Capital Partners II, L.P.(nn)...........	Common Stock	5,023,825	7.1	--(e)	5,023,825	5.1	4.6
NAS Partners I, L.L.C.(oo)............	Common Stock	31,255	*	--(e)	31,255	*	*
Digital Future Investments B.V.(pp)...	Class A Common Stock	11,340,000	100.0	--	11,340,000	100.0	10.4

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* Less than 1%.

(a) Except as otherwise indicated, the address of each person in this table is c/o Crown Castle International Corp., 510 Bering Drive, Suite 500, Houston, TX 77057.

(b) In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options, warrants or convertible stock exercisable or convertible within 60 days of the date hereof are deemed outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other stockholders. To the best of the Company's knowledge, except as otherwise indicated, beneficial ownership includes sole voting and dispositive power with respect to all shares.

(c) In determining Percentage of Total Voting Power After the Offering, shares of Common Stock that may be acquired upon conversion of the Class A Common Stock into shares of Common Stock are taken into account.

(footnotes continued from preceding page)

(d) Includes 175,000 shares of Common Stock received pursuant to the Share Exchange Agreement and options for 2,848,000 shares of Common Stock that will be vested upon consummation of the Roll-Up and the Offering. A trust for the benefit of Mr. Miller's children holds 99,995 shares of Common Stock, and a trust for the benefit of Mr. Miller and his two brothers holds 70,000 shares of Common Stock after the exchange pursuant to the Share Exchange Agreement.

(e) Messrs. Miller, Ivy, Green, Gwyn, Hutcheson, Martin and McKenzie and Centennial Fund IV, L.P., Centennial Fund V, L.P., Centennial Entrepreneurs Fund V, L.P., Nassau Capital Partners II, L.P. and NAS Partners I, L.L.C. are Selling Stockholders and have granted the U.S. Underwriters an option to purchase 480,535, 174,600, 142,800, 57,300, 78,000, 101,285, 23,700, 476,183, 297,849, 9,213, 401,985 and 2,500 shares of Common Stock, respectively, solely to cover over-allotments. If the U.S. Underwriters' over-allotment option is exercised in full, Messrs. Miller, Ivy, Green, Gwyn, Hutcheson, Martin and McKenzie and Centennial Fund IV, L.P., Centennial Fund V, L.P., Centennial Entrepreneurs Fund V, L.P., Nassau Capital Partners II, L.P. and NAS Partners I, L.L.C. will beneficially own 3.5%, 1.2%, *, *, *, *, *, 5.5%, 3.5%, *, 4.7% and *, respectively, of the Common Stock after consummation of the Offering. In addition, the following table sets forth certain information regarding other stockholders of the Company who have granted the U.S. Underwriters an option to purchase shares of Common Stock solely to cover over-allotments:

BENEFICIAL OWNER(A)	SHARES BENEFICIALLY OWNED BEFORE THE OFFERING	NUMBER OF SHARES OFFERED	SHARES BENEFICIALLY OWNED AFTER THE OFFERING
Tod Bettenhausen	75,000	27,000	48,000
Kathy Broussard	46,500	16,800	29,700
Bill Cordell	123,330	22,000	101,330
Wesley D. Cunningham	49,000	17,395	31,605
Angela Dennehy	99,165	25,245	73,920
Allyn Easter	75,000	21,000	54,000
Martin Ellen	99,165	25,245	73,920
Alan Rees	304,970	69,215	235,755
George Reese	920,000	110,400	809,600
Michael Schueppert	80,980	22,730	58,250
Jimmy Taylor	25,000	15,000	10,000
Nigel Turner	99,165	25,245	73,920
Mark Uminski	50,000	15,000	35,000
Ed Wallander	50,000	18,000	32,000
John Ward	99,165	25,245	73,920
Terry Wing	93,775	24,430	69,345
American Home Assurance Company(i)	2,774,040	220,875	2,553,165(xi)
Fay, Richwhite Communications Limited(ii)	2,793,985	222,465	2,571,520(xi)
Harvard Private Capital Holdings, Inc. (iii)	2,164,745	172,360	1,992,385(xi)
New York Life Insurance Company(iv)	1,060,180	84,415	975,765(xi)
The Northwestern Mutual Life Insurance Company(v)	1,669,815	132,955	1,536,860(xi)
PNC Venture Corp.(vi)	2,002,765	159,465	1,843,300(xi)
Prime VIII, L.P.(vii)	823,765	65,590	758,175
Win J. Neuger(viii)	8,420	670	7,750
David B. Pinkerton(ix)	3,365	270	3,095
Peter F. Smith(x)	5,050	400	4,650

(i) American Home Assurance Company's principal business address is 175 Water Street, 24th Floor, New York, NY 10038.

(ii) Fay, Richwhite Communications Limited's principal business address is 151 Queen Street, Auckland, New Zealand.

(iii) Harvard Private Capital Holdings, Inc.'s principal business address is 600 Atlantic Avenue, Boston, MA 02210-2203.

(iv) New York Life Insurance Company's principal business address is 51 Madison Avenue, New York, NY 10010.

(v) The Northwestern Mutual Life Insurance Company's principal business address is 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202-4797.

(vi) PNC Venture Corp.'s principal business address is 3150 CNG Tower, 625 Liberty Avenue, Pittsburgh, PA 15222.

(vii) Prime VIII, L.P.'s principal business address is 600 Congress Avenue, Suite 3000, Austin, TX 78701.

(viii) Mr. Neuger's principal business address is c/o American Home Assurance Company, 175 Water Street, New York, NY 10038.

(ix) Mr. Pinkerton's principal business address is c/o American Home Assurance Company, 175 Water Street, New York, NY 10038.

(x) Mr. Smith's principal business address is c/o American Home Assurance Company, 175 Water Street, New York, NY 10038.

(footnotes continued from preceding page)

(xi) If the U.S. Underwriters' over-allotment option is exercised in full, American Home Assurance Company, Fay, Richwhite Communications Limited, Harvard Private Capital Holdings, Inc., New York Life Insurance Company, The Northwestern Mutual Life Insurance Company and PNC Venture Corp. will beneficially own 2.6%, 2.0%, 2.6%, 1.0%, 1.6% and 1.9%, respectively, of the Common Stock after consummation of the Offering.

(f) Includes 70,000 shares of Common Stock received pursuant to the Share Exchange Agreement and options for 1,260,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
(g) Represents options for 675,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
(h) Includes options for 130,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
(i) Includes 2,779,375 shares of Common Stock owned by Mr. Crown, 2,589,375 shares of Common Stock owned by his spouse, over which she has sole voting and dispositive power, 125,000 shares of Common Stock that are jointly owned, 915,625 shares of Common Stock owned by a grantor retained annuity trust for Mr. Crown, 915,625 shares of Common Stock owned by a grantor retained annuity trust for Ms. Crown and options for 137,500 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering. Mr. Crown's principal business address is c/o Crown Communication Inc., 375 Southpointe Blvd., Canonsburg, PA 19317.
(j) Mr. Azibert's principal business address is c/o TeleDiffusion de France International S.A., 10 Rue d'Oradour sur Glane, 75732 Paris 15 France.
(k) Mr. Chetaille's principal business address is c/o TeleDiffusion de France International S.A., 10 Rue d'Oradour sur Glane, 75732 Paris 15 France.
(l) Mr. Ferenbach's principal business address is c/o Berkshire Partners LLC, One Boston Place, Suite 3300, Boston, MA 02108.
(m) Represents options for 25,000 shares of Common Stock that will vest upon consummation of the Offering and 20,710,455 shares of Common Stock beneficially owned by members of the Berkshire Group. Mr. Ferenbach disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
(n) Mr. Greimann's principal business address is c/o Berkshire Partners LLC, One Boston Place, Suite 3300, Boston, MA 02108.
(o) Represents shares of Common Stock beneficially owned by members of the Berkshire Group. Mr. Greimann disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
(p) Mr. Hack's principal business address is c/o Nassau Capital LLC, 22 Chambers St., Princeton, NJ 08542.
(q) Represents options for 25,000 shares of Common Stock that will vest upon consummation of the Offering and 5,055,080 shares of Common Stock beneficially owned by members of the Nassau Group. Mr. Hack disclaims beneficial ownership of such shares.
(r) Mr. Hull's principal business address is c/o The Centennial Funds, 1428 Fifteenth Street, Denver, CO 80202-1318. Mr. Hull is a general partner of each of Centennial Holdings IV, L.P. (which is, in turn, the general partner of Centennial Fund IV, L.P.) ("Holdings IV") and Centennial Holdings V, L.P. (which is, in turn, the general partner of Centennial Fund V, L.P. and Centennial Entrepreneurs Fund V, L.P.) ("Holdings V"). However, neither Mr. Hull nor any other general partner of either Holdings IV or Holdings V, acting alone, has voting or investment power with respect to the Company's securities directly beneficially held by Centennial Fund IV, Centennial Fund V and Centennial Entrepreneurs Fund, and, as a result, Mr. Hull disclaims beneficial ownership of the Company's securities directly beneficially owned by such Funds, except to the extent of his pecuniary interest therein.
(s) Represents shares of Common Stock beneficially owned by members of the Centennial Group. Mr. Hull disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
(t) A trust for the benefit of Mr. Hutcheson's children holds 50,000 shares. Mr. Hutcheson is a limited partner of Centennial Entrepreneurs Fund V, L.P., but disclaims beneficial ownership of the Company's securities directly beneficially held but such fund. Mr. Hutcheson's principal business address is 5599 San Felipe, Suite 301, Houston, TX 77056.
(u) Includes options for 50,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
(v) A trust for the benefit of Mr. Martin's children holds 30,000 shares. Mr. Martin is a limited partner of each of Centennial Fund IV and Centennial Entrepreneurs Fund V, but disclaims beneficial ownership of the Company's securities directly beneficially held by such funds. Mr. Martin's principal business address is c/o Titanium Metals Corporation, 1999 Broadway, Suite 4300, Denver, CO 80202.
(w) Includes options for 122,500 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering, and warrants for 8,000 shares of Common Stock.
(x) Mr. McKenzie's principal business address is P.O. Box 1133, 1496 Bruce Creek Road, Eagle, CO 81631.
(y) Includes options for 104,375 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
(z) Mr. Murphy's principal business address is c/o Salomon Smith Barney, Victoria Plaza, 111 Buckingham Palace Road, London, England.
(aa) Mr. Schutz's principal business address is c/o The Centennial Funds, 1428

Fifteenth Street, Denver, CO 80202-1318. Mr. Schutz is a general partner of each of Holdings IV and Holdings V. However, neither Mr. Schutz nor any other general partner of either Holdings IV or Holdings V, acting alone, has voting or investment power with respect to the Company's securities directly beneficially held by Centennial Fund IV, Centennial Fund V and Centennial Entrepreneurs Fund, and, as a result, Mr. Schutz disclaims beneficial ownership of the Company's securities directly beneficially owned by such funds, except to the extent of his pecuniary interest therein.

(bb) Represents options for 25,000 shares of Common Stock that will vest upon consummation of the Offering and 9,812,040 shares of Common Stock beneficially owned by members of the Centennial Group. Mr. Schutz disclaims beneficial ownership of such shares.

(cc) Includes options for 5,402,375 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering and warrants for 8,000 shares of Common Stock.

(dd) Berkshire Group has approximately 19.0% of the total voting power of Common Stock. Carl Ferenbach, Chairman of the Board of Directors of the Company and a director of the Company, is a Managing Director of Berkshire Investors; a Managing Director of Third Berkshire Managers the general partner of Third Berkshire Associates, the general partner of Berkshire Fund III; and a Managing Director of Fourth Berkshire Associates, the general partner of Berkshire Fund IV. The principal business address of the Berkshire Group is c/o Berkshire Partners LLC, One Boston Place, Suite 3300, Boston, MA 02108-4401.

(footnotes continued from preceding page)

(ee) Includes warrants for 35,935 shares of Common Stock.
(ff) Includes warrants for 29,255 shares of Common Stock.
(gg) Includes warrants for 4,810 shares of Common Stock.
(hh) Candover Group has approximately 10.4% of the total voting power of Common Stock. G. Douglas Fairservice is a Director of each entity in the Candover Group. The principal business address of Candover Partners is 20 Old Bailey, London EC4M 7LM, United Kingdom.
(ii) Centennial Fund IV, Centennial Fund V and Centennial Enterpreneurs Fund collectively have has approximately 8.9% of the total voting power of Common Stock.
(jj) Holdings IV is the sole general partner of Centennial Fund IV, and, accordingly, Holdings IV may be deemed to control Centennial Fund IV and possess indirect beneficial ownership of the securities of the Company directly beneficially held by Fund IV. The principal business address of Centennial Fund IV and Holdings IV is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
(kk) Holdings V is the sole general partner of Centennial Fund V, and, accordingly, Holdings V may be deemed to control Centennial Fund V and possess indirect beneficial ownership of the securities of the Company directly beneficially held by Centennial Fund V. The Common Stock indicated as held by Centennial Fund V includes 19,400 shares obtainable upon exercise of warrants. The principal business address of Centennial Fund V and Holdings V is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
(ll) Holdings V is the sole general partner of Centennial Entrepreneurs Fund V, and, accordingly, may be deemed to control Centennial Entrepreneurs Fund V and possess indirect beneficial ownership of the securities of the Company directly beneficially held by Centennial Entrepreneurs Fund V. The Common Stock indicated as held by Centennial Entrepreneurs Fund V includes 600 shares obtainable upon exercise of warrants. The principal business address of Centennial Entrepreneurs V is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
(mm) Nassau Group has approximately 4.6% of the total voting power of Common Stock. Randall Hack, a director of the Company, is a member of Nassau Capital L.L.C., an affiliate of Nassau Group. The principal business address of Nassau Capital Partners II, L.P. is 22 Chambers Street, Princeton, NJ 08542.
(nn) Includes warrants for 49,690 shares of Common Stock.
(oo) Includes warrants for 310 shares of Common Stock.
(pp) Digital Future Investments B.V. is an affiliate of TeleDiffusion de France International S.A. Upon consummation of the Roll-Up, TdF will retain ownership of 20% of the shares of capital stock of CTSH. Pursuant to the Share Exchange Agreement and subject to certain conditions, TdF will have the right to exchange its shares of capital stock of CTSH for 17,443,500 shares of Class A Common Stock of the Company (which is convertible into 17,443,500 shares of Common Stock). DFI currently has 10.4% of the total voting power of Common Stock. Combined, TdF and DFI would have 22.8% of the Voting Power of Common Stock. The principal business address of DFI is c/o TeleDiffusion de France International S.A., 10 Rue d'Oradour sur Glane, 75732 Paris 15 France.

DESCRIPTION OF CAPITAL STOCK

The following summary does not purport to be complete and is subject to the detailed provisions of, and qualified in its entirety by reference to, the Certificate of Incorporation, the By-laws, the Governance Agreement, the CTSH Shareholders Agreement and the Stockholders' Agreement that will be in effect upon consummation of this Offering, forms of which have been filed as exhibits to this Registration Statement, and to the applicable provisions of the Delaware General Corporation Law (the "DGCL").

GENERAL

Upon consummation of the Roll-Up, the authorized capital stock of the Company will consist of 600,000,000 shares of Common Stock, par value $.01 per share (the "Common Stock"), 90,000,000 shares of Class A Common Stock, par value $.01 per share (the "Class A Common Stock"), and 10,000,000 shares of Preferred Stock, par value $.01 per share. Upon consummation of the Roll-Up, after giving effect to the five-for- one stock split, there will be 97,728,545 shares of Common Stock outstanding and 11,340,000 shares of Class A Common Stock outstanding.

COMMON STOCK

Voting Rights

Each share of Common Stock is entitled to one vote. The Common Stock votes together as a single class on all matters presented for a vote of the stockholders, except as provided under the DGCL. All the outstanding shares of Common Stock are held by directors, executive officers, other employees and affiliates of the Company or its subsidiaries.

Dividends

Each share of Common Stock is entitled to receive dividends if, as and when declared by the Board of Directors out of funds legally available therefor, subject to approval of certain holders of the Senior Convertible Preferred Stock.

Liquidation Rights

In the event of the dissolution of the Company, after satisfaction of amounts payable to creditors and distribution to the holders of outstanding Senior Convertible Preferred Stock, if any, of amounts to which they may be preferentially entitled, holders of Common Stock are entitled to share ratably in the assets available for distribution to the stockholders.

Other Provisions

There are no preemptive rights to subscribe for any additional securities which the Company may issue, and there are no redemption provisions or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are legally issued, fully paid and nonassessable.

CLASS A COMMON STOCK

Voting Rights

Each share of Class A Common Stock is entitled to one vote for each such share on all matters presented to the stockholders, except with respect to the election of directors. The holders of the shares of Class A Common Stock vote, except as provided under the DGCL, together with the holders of the Common Stock and any other class or series of stock of the Company accorded such general voting rights, as a single class.

So long as TdF is Qualified, holders of shares of Class A Common Stock voting as a separate class have the right to elect two directors to the Board of Directors of the Company; provided, however, that if TdF is not

Qualified, so long as the ownership interest of the TdF Group is at least 5%, holders of Class A Common Stock voting as a separate class have the right to elect one director.

The holders of Class A Common Stock, subject to certain limitations described in "The Roll-Up--Governance Agreement--Governance--Governance Limitations", have a Veto over certain significant actions, described in "Governance--Veto Rights", taken by the Company.

Convertibility

Each share of Class A Common Stock is convertible, at the option of its record holder, into one share of Common Stock at any time.

In the event of any transfer of any share of Class A Common Stock to any Person other than an Affiliate (as defined in Rule 12b-2 of the Exchange Act), such share of Class A Common Stock automatically converts, without any further action, into one share of Common Stock; provided, however, and subject to certain conditions described in the Certificate of Incorporation, that a holder of shares of Class A Common Stock may pledge such holder's shares to a financial institution pursuant to a bona fide pledge of such shares of Class A Common Stock as collateral security for any indebtedness or other obligation of any Person due to the pledgee or its nominee.

Further, each share of Class A Common Stock automatically converts into one share of Common Stock on the first date on which the ownership interest of TdF Group is less than 5%.

Other Provisions

Pursuant to the Governance Agreement, so long as it remains Qualified, TdF has anti-dilutive rights in connection with maintaining a certain percentage of voting power in the Company and, accordingly, the Company may not, subject to certain exceptions relating primarily to compensation of directors and employees, issue, sell or transfer additional securities (except for the Offering) unless TdF is offered the right to purchase, at the same price, an amount such that it would maintain such percentage of voting power in the Company. All outstanding shares of Class A Common Stock are legally issued, fully paid and nonassessable.

PREFERRED STOCK

Pursuant to the Certificate of Incorporation, the Company may issue up to 10,000,000 shares of Preferred Stock in one or more series. The Board of Directors has the authority, without any vote or action by the stockholders (other than any rights of TdF under the Governance Agreement), to create one or more series of Preferred Stock up to the limited of the Company's authorized but unissued shares of Preferred Stock and to fix the designations, preferences, rights, qualifications, limitations and restrictions thereof, including the voting rights, dividend rights, dividend rate, conversion rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any series. Upon completion of the Offering, there will be no shares of Preferred Stock outstanding. See "Risk Factors--Anti-Takeover Provisions".

SENIOR PREFERRED WARRANTS

In connection with the offering of the Senior Convertible Preferred Stock in August 1997 and October 1997, the Company issued warrants to purchase an aggregate of 1,314,990 shares of Common Stock at a price of $7.50 per share, provided that the price per share shall be reduced to 85% of the price per share to the public if the Company consummates an initial registered public offering of Common Stock with a price below $8.832 per share. The exercise price is subject to weighted average antidilution protection. These warrants are exercisable at any time prior to August 16, 2007, in the case of the warrants issued in August 1997, and October 31, 2007, in the case of the warrants issued in October 1997.

CERTIFICATE OF INCORPORATION AND BY-LAWS

Stockholders' rights and related matters are governed by the DGCL, the Certificate of Incorporation and the By-laws. Certain provisions of the Certificate of Incorporation and By-laws, which are summarized below, may have the effect, either alone or in combination with each other, of discouraging or making more difficult a tender offer or takeover attempt that is opposed by the Company's Board of Directors but that a stockholder might consider to be in its best interest. Such provisions may also adversely affect prevailing market prices for the Common Stock. The Company believes that such provisions are necessary to enable the Company to develop its business in a manner that will foster its long-term growth without disruption caused by the threat of a takeover not deemed by the Board of Directors to be in the best interests of the Company and its stockholders.

Classified Board of Directors and Related Provisions

The Certificate of Incorporation provides that the directors of the Company, other than those directors who may be elected by holders of any series of Preferred Stock or holders of the Class A Common Stock, initially are to be divided into three classes of directors, initially consisting of three, three and four directors. One class of directors, initially consisting of three directors, will be elected for a term expiring at the annual meeting of shareholders to be held in 1999, another class initially consisting of three directors will be elected for a term expiring at the annual meeting of stockholders to be held in 2000, and another class initially consisting of four directors shall be initially elected for a term expiring at the annual meeting of stockholders in 2001. The classified board provisions will prevent a party who acquires control of a majority of the outstanding Voting Stock of the Company from obtaining control of the Board of Directors until the second annual stockholders meeting following the date such party obtains the controlling interest. The provisions of the Certificate of Incorporation relating to the classified nature of the Company's Board of Directors may not be amended without the affirmative vote of the holders of at least 80% of the voting power of the Company's outstanding Voting Stock. "Voting Stock" is defined in the Certificate of Incorporation as the outstanding shares of capital stock of the Company entitled to vote in a general vote of stockholders of the Corporation as a single class with shares of Common Stock of the Company, which shares of capital stock include the shares of Class A Common Stock.

No Stockholder Action by Written Consent; Special Meeting

The Certificate of Incorporation prohibits stockholders (other than holders of Class A Common Stock with respect to matters upon which such holders are entitled to vote as a separate class) from taking action by written consent in lieu of an annual or special meeting and, thus, stockholders may only take action at an annual or special meeting called in accordance with the By-laws. The By-laws provide that special meetings of stockholders may only be called by the Secretary of the Company at the direction of the Board of Directors pursuant to a resolution adopted by the Board.

These provisions could have the effect of delaying consideration of a stockholder proposal until the next annual meeting. The provisions would also prevent the holders of a majority of the voting power of the capital stock of the Company entitled to vote from unilaterally using the written consent procedure to take stockholder action.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

The By-laws establish advance notice procedures with regard to stockholder proposals and the nomination, other than by or at the direction of the Board of Directors, of candidates for election as directors. These procedures provide that the notice of stockholder proposals and stockholder nominations for the election of directors at an annual meeting must be in writing and received by the Secretary no less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that with respect to the annual meeting to be held in 1999, the anniversary date shall be deemed to be April 1, 1999; provided further that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 90 days, from such anniversary date, notice by the stockholder to be timely must be delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public disclosure of the date of the annual meeting was made. The notice of nominations for the election of directors must set forth certain information with respect to the stockholder giving the notice and with respect to each nominee.

By requiring advance notice of nominations by stockholders, the foregoing procedures will afford the Board of Directors an opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by the Board of Directors, to inform stockholders about such qualifications. By requiring advance notice of other proposed business, such procedures will provide the Board of Directors with an opportunity to inform stockholders, prior to such meetings, of any business proposed to be conducted at such meetings, together with any recommendations as to the Board of Directors' position regarding action to be taken with respect to such business, so that stockholders can better decide whether to attend such a meeting or to grant a proxy regarding the disposition of any such business.

Dilution

The Certificate of Incorporation provides that the Board of Directors is authorized to create and issue, whether or not in connection with the issuance and sale of any of its stock or other securities or property, rights entitling the holders to purchase from the Company shares of stock or other securities of the Company or any of other corporation, recognizing that, under certain circumstances, the creation and issuance of such rights could have the effect of discouraging third parties from seeking, or impairing their right to seek, to acquire a significant portion of the outstanding securities of the Company, to engage in any transaction which might result in a change of control of the corporation or to enter into any agreement, arrangement or understanding with another party to accomplish the foregoing or for the purpose of acquiring, holding, voting or disposing of any securities of the Company.

Indemnification

The Certificate of Incorporation and By-laws provide that the Company shall indemnify each director or officer of the Company to the fullest extent permitted by law.

Amendments

The Certificate of Incorporation and By-laws provide that the Company may at any time and from time to time, amend, alter, change or repeal any provision contained in the Certificate of Incorporation or a Preferred Stock designation; provided, however, the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class, is required to amend, repeal or adopt any provision inconsistent with certain provisions of the Certificate of Incorporation, including the provisions referred to above relating to the classification of the Board of Directors, prohibiting stockholder action by written consent, and prohibiting the calling of special meetings by stockholders.

The By-laws may be amended by either the holders of 80% of the voting power of the Voting Stock or by the majority of the Board; provided that the Board may alter, amend or repeal or adopt new By-laws in conflict with certain provisions thereof by a two-thirds vote of the entire Board.

RIGHTS PLAN

Rights

The Board of Directors of the Company has declared a dividend of one right (the "Rights") for each outstanding share of Common Stock and each outstanding share of Class A Common Stock. The Rights will be issued to the holders of record of Common Stock and Class A Common Stock outstanding on the date of the consummation of the Offering (the "Issuance Date"), and with respect to Common Stock and Class A Common Stock issued thereafter until the Distribution Date (as defined below), and, in certain circumstances, with respect to Common Stock and Class A Common Stock issued after the Distribution Date. Each Right, when it becomes exercisable as described below, will entitle the registered holder to purchase from the Company one one-thousandth (1/1000th) of a share of Series A Participating Cumulative Preferred Stock (the "Preferred Shares") at a price of $110.00 per (1/1000th) of a share, subject to adjustment in certain circumstances (the "Purchase Price"). The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between the Company and the Rights Agent named therein. The Rights will not be exercisable until the Distribution Date and will expire on the tenth annual anniversary of the Rights Agreement (the "Expiration Date"), unless earlier redeemed by the Company. Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends with respect to the Rights or the Preferred Shares relating thereto.

Distribution Date

Under the Rights Agreement, the Distribution Date is the earlier of (i) such time as the Company learns that a person or group (including any affiliate or associate of such person or group) has acquired, or has obtained the right to acquire, beneficial ownership of more than 15% of the outstanding voting securities of the Company (such person or group being an "Acquiring Person"), subject to the exceptions relating to the TDF Group and the Berkshire Group described in the paragraph below, unless provisions preventing accidental triggering of the distribution of the Rights apply, and (ii) the close of business on such date, if any, as may be designated by the Board of Directors following the commencement of, or first public disclosure of an intent to commence, a tender or exchange offer for more that 15% or more of the outstanding shares of Voting Securities.

Each member of the TdF Group will not otherwise be considered an Acquiring Person if (a) during the first five years following the adoption of the Rights Agreement, the aggregate ownership interest of the TdF Group does not exceed 25% (or 30% if the Board so elects) of the outstanding Voting Securities or (b) thereafter, the aggregate ownership interest of the TdF Group does not exceed the lesser of (i) 25% or 30%, as applicable, of the Voting Securities then outstanding and (ii) the greater of (x) the aggregate interest of the TdF Group as of the fifth anniversary of the Rights Agreement and (y) 15% of the then outstanding Voting Securities. Each member of the Berkshire Group will not otherwise be deemed an Acquiring Person if the aggregate ownership interest of the Berkshire Group does not exceed the greater of (a) the aggregate ownership interest of the Berkshire Group upon the execution of the Rights Agreement, reduced by an amount equal to any disposition of Voting Securities following the date the Rights Agreement is executed and (b) 15% of the outstanding Voting Securities.

Triggering Event and Effect of Triggering Event

At such time as there is an Acquiring Person, the Rights will entitle each holder (other than such Acquiring Person) of a Right to purchase, at the Purchase Price, that number of one-thousandths (1/1000ths) of a Preferred Share equivalent to the number of shares of Common Stock that at the time of such event would have a market value of twice the Purchase Price.

In the event the Company is acquired in a merger or other business combination by an Acquiring Person or an affiliate or associate of an Acquiring Person that is a publicly traded corporation or 50% or more of the Company's assets or assets representing 50% or more of the Company's revenues or cash flow are sold, leased, exchanged or otherwise transferred (in one or more transactions) to an Acquiring Person or an affiliate or associate of an Acquiring Person that is a publicly traded corporation, each Right will entitle its holder (other than Rights beneficially owned by such Acquiring Person or its affiliates or associates) to purchase, for the Purchase Price, that number of common shares of such corporation which at the time of the transaction would have a market value or, in certain circumstances, book value of twice the Purchase Price. In the event the Company is acquired in a merger or other business combination by an Acquiring Person or an affiliate or associate of an Acquiring Person that is not a publicly traded entity or 50% or more of the Company's assets or assets representing 50% or more of the Company's revenues or cash flow are sold, leased, exchanged or otherwise transferred (in one or more transactions) to an Acquiring Person or affiliate or associate of an Acquiring Person that is not a publicly traded entity, each right will entitle its holder (subject to the next paragraph) to purchase, for the Purchase Price, at such holder's option, (i) that number of shares of the surviving corporation in the transaction with such entity (which surviving corporation could be the Company) which at the time of the transaction would have a book value of twice the Purchase Price, (ii) that number of shares of the ultimate parent of or entity controlling such surviving corporation which at the time of the transaction would have a book value of twice the Purchase Price or (iii) if such entity has an affiliate which has publicly traded common shares, that number of common shares of such affiliate which at the time of the transaction would have market value of twice the Purchase Price.

Any Rights that are at any time beneficially owned by an Acquiring Person (or any affiliate or associate of an Acquiring Person) will be null and void and nontransferable and any holder of any such right (including any purported transferee or subsequent holder) will be unable to exercise or transfer any such Right.

Redemption

At any time prior to the earlier of (i) such time as a person or group becomes an Acquiring Person and (ii) the Expiration Date, the Board of Directors may redeem the Rights in whole, but not in part, at a price (in cash or Common Stock or other securities of the Company deemed by the Board of Directors to be at least equivalent in value) of $.01 per Right (which amount shall be subject to adjustment as provided in the Rights Agreement) (the "Redemption Price"). Immediately upon the action of the Board of Directors ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

In addition, at any time after there is an Acquiring Person, the Board of Directors may elect to exchange each Right for consideration per Right consisting of one-half of the securities that would be issuable at such time upon exercise of one Right pursuant to the terms of the Rights Agreement.

Amendment

At any time prior to the Distribution Date, the Company may, without the approval of any holder of any Rights, supplement or amend any provision of the Rights Agreement (including, without limitation, the date on which the Expiration Date or Distribution Date shall occur, the definition of Acquiring Person, the time during which the Rights may be redeemed or the terms of the Preferred Shares), except that no supplement or amendment shall be made which reduces the Redemption Price (other than pursuant to certain adjustments therein).

Certain Effects of the Rights Plan

The Rights plan is designed to protect stockholders of the Company in the event of unsolicited offers to acquire the Company and other coercive takeover tactics which, in the opinion of the Board of Directors, could impair its ability to represent stockholder interests. The provisions of the Rights Plan may render an unsolicited takeover of the Company more difficult or less likely to occur or might prevent such a takeover, even though such takeover may offer the Company's stockholders the opportunity to sell their stock at a price above the prevailing market rate and may be favored by a majority of the stockholders of the Company.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

Section 203 of the DGCL prohibits certain transactions between a Delaware corporation and an "interested stockholder", which is defined as a person who, together with any affiliates and/or associates of such person, beneficially owns, directly or indirectly, 15% or more of the outstanding voting shares of a Delaware corporation. This provision prohibits certain business combinations (defined broadly to include mergers, consolidations, sales or other dispositions of assets having an aggregate value of 10% or more of the consolidated assets of the corporation, and certain transactions that would increase the interested stockholder's proportionate share ownership in the corporation) between an interested stockholder and a corporation for a period of three years after the date the interested stockholder acquired its stock, unless: (i) the business combination is approved by the corporation's Board of Directors prior to the date the interested stockholder acquired shares; (ii) the interested stockholder acquired at least 85% of the voting stock of the corporation in the transaction in which it became an interested stockholder; or (iii) the business combination is approved by a majority of the Board of Directors and by the affirmative vote of two-thirds of the outstanding voting stock owned by disinterested stockholders at an annual or special meeting. A Delaware corporation, pursuant to a provision in its certificate of incorporation or by-laws, may elect not to be governed by Section 203 of the DGCL. The Certificate of Incorporation does not exclude the Company from the restrictions imposed by Section 203 of the DGCL and, as a result, the company will be subject to its provisions upon consummation of the Offering.

Under certain circumstances, Section 203 of the DGCL makes it more difficult for a person who could be an "interested stockholder" to effect various business combinations with a corporation for a three-year period, although the stockholders may elect to exclude a corporation from the restrictions imposed thereunder. The Certificate of Incorporation of the Company does not exclude the Company from the restrictions imposed under Section 203 of the DGCL. It is anticipated that the provisions of Section 203 of the DGCL may encourage companies interested in acquiring the Company to negotiate in advance with the Board of Directors, since the stockholder approval requirement would be avoided if a majority of the directors then in office approves, prior to the date on which a stockholder becomes an interested stockholder, either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

LIMITATIONS OF DIRECTORS' LIABILITY

The Certificate of Incorporation provides that no director of the Company will be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability: (1) for any breach of the director's duty of loyalty to the Company or its stockholders, (2) for acts of omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, or (4) for any transaction from which the director derived an improper personal benefit. The effect of these provisions will be to eliminate the rights of the Company and its stockholders (through stockholders' derivatives suits on behalf of the Company) to recover monetary damages against a director for breach of fiduciary duty as a director (including breaches resulting from grossly negligent behavior), except in the situations described above. These provisions will not limit the liability of directors under federal securities laws and will not affect the availability of equitable remedies such as an injunction or rescission based upon a director's breach of his duty of care.

TRANSFER AGENT

The Transfer Agent and Registrar for the Common Stock is ChaseMellon Shareholder Services, L.L.C.

DESCRIPTION OF CERTAIN INDEBTEDNESS

SENIOR CREDIT FACILITY

Pursuant to the Amended and Restated Loan Agreement dated as of July 10, 1998, two wholly owned subsidiaries of CCIC, CCI and Crown Castle International Corp. de Puerto Rico ("CCIC(PR)") (collectively, the "Borrowers"), have entered into the Senior Credit Facility with a group of banks and other financial institutions led by Key Corporate Capital Inc. ("KeyCorp") and PNC Bank, National Association, as arrangers and agents. The following summary of certain provisions of the Senior Credit Facility does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Senior Credit Facility.

The Senior Credit Facility provides for revolving credit loans in an aggregate principal amount not to exceed $100.0 million, for working capital needs, acquisitions and general corporate purposes. The Senior Credit Facility includes a $5.0 million sublimit available for the issuance of letters of credit. As of June 30, 1998, the Borrowers had unused borrowing availability under the Senior Credit Facility of approximately $27.5 million.

The loan commitment under the Senior Credit Facility reduces by $5.0 million commencing March 31, 2001 and by $5.0 million each calendar quarter thereafter until December 31, 2004, when the Senior Credit Facility matures. In addition, the Senior Credit Facility provides for mandatory reduction of the loan commitment and mandatory prepayment with the (i) net proceeds of certain asset sales, (ii) net proceeds of certain required capital contributions to CCI by CCIC relating to the proceeds from the sale of equity, convertible or debt securities, subject to certain exceptions, (iii) net proceeds of any unused insurance proceeds and (iv) a percentage of the excess cash flow of the Borrowers, commencing with the calendar year ending December 31, 2000.

The Borrowers' obligations under the Senior Credit Facility are guaranteed by each direct and indirect majority owned subsidiary of CCI and are also secured by (i) a pledge by the Borrowers of all of the outstanding capital stock of each of their respective direct subsidiaries and (ii) a perfected first priority security interest in substantially all of the personal property of the Borrowers and their subsidiaries. In addition, the Senior Credit Facility is guaranteed on a limited recourse basis by CCIC, limited in recourse to the collateral pledged by CCIC (the capital stock of CCI). The capital stock of CTSH will not be pledged to secure the Senior Credit Facility.

The loans under the Senior Credit Facility will bear interest, at the Borrowers' option, at either (A) a "base rate" equal to KeyCorp's prime lending rate plus an applicable spread ranging from 0% to 1.5% (determined based on a leverage ratio) or (B) a "LIBOR rate" plus an applicable spread ranging from 1.0% to 3.25% (determined based on a leverage ratio). Following the occurrence and during the continuance of an event of default under the Senior Credit Facility, the loans will bear interest at the "base rate" plus 3.5%.

The Senior Credit Facility contains a number of covenants that, among other things, restrict the ability of the Borrowers and their respective subsidiaries to dispose of assets, incur additional indebtedness, incur guaranty obligations, repay subordinated indebtedness except in accordance with the subordination provisions, pay dividends or make capital distributions, create liens on assets, enter into leases, make investments, make acquisitions, engage in mergers or consolidations, make capital expenditures, engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities. In addition, the Senior Credit Facility will require compliance with certain financial covenants, including requiring the Borrowers and their respective subsidiaries to maintain a maximum ratio of indebtedness to operating cash flow, a minimum ratio of operating cash flow to fixed charges, a minimum ratio of operating cash flow to projected debt service and a minimum ratio of operating cash flow to interest expense. CCIC does not expect that such covenants will materially impact the ability of the Borrowers and their respective subsidiaries to operate their respective businesses.

Pursuant to the terms of the Senior Credit Facility, CCI is entitled to pay dividends or make distributions to CCIC in order to permit CCIC to pay its out-of-pocket costs for corporate development and overhead and to pay cash interest on certain indebtedness of CCIC (including the Notes); provided that the amount of such dividends or distributions does not exceed (i) $6.0 million in any year ending on or prior to October 31, 2002 or (ii) $33.0 million in any year thereafter. The Senior Credit Facility also allows CCI to pay dividends or distribute cash to CCIC to the extent required to pay taxes allocable to the Borrowers and their respective subsidiaries. All of the above-mentioned dividends or distributions, however, including dividends or distributions that are intended to pay interest on the Notes, may not be made by CCI so long as any default or event of default exists under the Senior Credit Facility.

The Senior Credit Facility contains customary events of default, including the failure to pay principal when due or any interest or other amount that becomes due within two days after the due date thereof, any representation or warranty being made by the Borrowers that is incorrect in any material respect on or as of the date made, a default in the performance of any negative covenants or a default in the performance of certain other covenants or agreements for a period of thirty days, default in certain other indebtedness, certain insolvency events and certain change of control events. In addition, a default under the Indenture will result in a default under the Senior Credit Facility.

CTI CREDIT FACILITY

Pursuant to the Loan Amendment Agreement dated May 21, 1997 (the "CTI Credit Facility"), among CTI, as borrower, CTSH, as guarantor, Credit Suisse First Boston, as arranger and agent ("CSFB"), and J.P. Morgan Securities Ltd., as co-arranger ("JPM"), CTI's (Pounds)162.5 million term and revolving loan facilities (the "Old Facilities") were amended to a (Pounds)64.0 million revolving loan facility. The following summary of certain provisions of the CTI Credit Facility does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the CTI Credit Facility.

The CTI Credit Facility provides for revolving credit loans in an aggregate principal amount not to exceed (Pounds)64.0 million to finance capital expenditures in respect of digital terrestrial television with up to (Pounds)46.5 million of such amount available for working capital needs and for general corporate purposes. As of June 30, 1998, CTI had unused borrowing availability under the CTI Credit Facility of approximately (Pounds)35.0 million ($58.4 million).

The loan commitment under the CTI Credit Facility will be automatically reduced to zero in three equal semi-annual installments commencing on May 31, 2001 and ending on May 31, 2002, when the CTI Credit Facility matures. In addition, the CTI Credit Facility provides for mandatory cancellation of all or part of the loan commitment and mandatory prepayment (i) with an amount equal to the net proceeds of certain asset sales and (ii) upon the consummation of an initial public offering or the listing on any stock exchange of the shares of CTI, CTSH or CCIC.

CTI's and CTSH's obligations under the CTI Credit Facility are secured by fixed and floating charges over all of their respective assets. The loans under the CTI Credit Facility will bear interest at a "LIBOR rate" plus 0.85% and a spread related to the lenders' cost of making the CTI Credit Facility available to CTI.

The CTI Credit Facility contains a number of covenants that, among other things, restrict the ability of CTI to dispose of assets, incur additional indebtedness, incur guaranty obligations, repay subordinated indebtedness except in accordance with the subordination provisions, pay dividends or make capital distributions, create liens on assets, make investments, make acquisitions, engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities. In addition, the CTI Credit Facility will require compliance with certain financial covenants, including requiring CTI to maintain a maximum ratio of indebtedness to EBITDA, a minimum ratio of EBITDA to interest expense, and a minimum tangible net worth. CCIC does not expect that such covenants will materially impact the ability of CTI to operate its business.

The CTI Credit Facility contains customary events of default, including the failure to pay principal or any interest or any other amount that becomes due within three business days after the due date thereof, any representation or warranty being made by CTI that is untrue or misleading on the date made, a default in the performance of any of its covenants under the CTI Credit Facility (unless, if such default is capable of remedy, such default is cured within 14 days of CTI becoming aware of such default), default in certain other indebtedness, certain insolvency events and certain change of control events.

On July 17, 1998, the lenders (acting through Credit Suisse First Boston, as agent) under the CTI Credit Facility waived a provision in the CTI Credit Facility that would have required the repayment of the CTI Credit Facility concurrently with the listing of the Company's Common Stock.

THE NOTES

On November 20, 1997, the Company privately placed $251.0 million principal amount at maturity ($150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007 (the "Notes"). The following is a summary of certain terms of the Notes and is qualified in its entirety by reference to the Indenture (the "Indenture") relating to the Notes. A copy of the Indenture has been filed with the Registration Statement of which this Prospectus forms a part.

The Notes are unsecured senior obligations of the Company, and will rank pari passu in right of payment with all existing and future senior indebtedness of the Company and will be senior to future subordinated indebtedness of the Company. The Notes mature on November 15, 2007. The Notes will accrete in value until November 15, 2002. Thereafter, cash interest will accrue on the Notes at the rate of 10.625% per annum and will be payable semi-annually, commencing on May 15, 2003.

Except as stated below, the notes are not redeemable prior to November 15, 2002. Thereafter, the Notes are redeemable at the option of the Company, in whole or in part, at any time or from time to time, at a premium which is at a fixed percentage that declines to par on or after November 15, 2005, in each case together with accrued and unpaid interest, if any, to the date of redemption. In the event the Company consummates a public equity offering or certain strategic equity investments prior to November 15, 2000, the Company may, at its option, use all or a portion of the proceeds from such offering to redeem up to 35% of the original aggregate principal amount at maturity of the Notes at a redemption price equal to 110.625% of the accreted value of the Notes to be redeemed, plus accrued and unpaid interest, if any, thereon to the redemption date, provided at least 65% of the original aggregate principal amount at maturity of the Notes remains outstanding after each such redemption.

Upon the occurrence of a Change of Control (as defined in the Indenture), each holder of Notes has the right to require the Company to purchase all or a portion of such holder's Notes at a price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest to the date of purchase.

The Indenture contains certain covenants, including covenants that limit (i) indebtedness, (ii) restricted payments, (iii) distributions from restricted subsidiaries, (iv) transactions with affiliates, (v) sales of assets and subsidiary stock (including sale and leaseback transactions), (vi) dividend and other payment restrictions affecting restricted subsidiaries, and (vii) mergers or consolidations.

THE CTI BONDS

On May 21, 1997, a subsidiary of CTSH issued (Pounds)125.0 million aggregate principal amount of its 9% Guaranteed Bonds due 2007 (the "CTI Bonds"). The CTI Bonds are listed on the Luxembourg Stock Exchange. The following is a summary of certain terms of the Bonds and is qualified in its entirety by reference to the trust deed dated May 21, 1997 (the "Trust Deed") relating to the Bonds. A copy of the Trust Deed has been filed with the Registration Statement of which this Prospectus forms a part.

The Bonds constitute direct, general and unconditional guaranteed obligations of the subsidiary of CTSH and rank pari passu with all other present and future unsecured and unsubordinated obligations of such subsidiary. The CTI Bonds are guaranteed jointly and severally by CTI and CTSH. The CTI Bonds will mature on March 30, 2007. Interest on the Bonds is payable annually in arrears on March 30 in each year, the first payment having been made on March 30, 1998.

The CTI Bonds may be redeemed at the option of the Company in whole or in part, at any time or from time to time, at the greater of their principal and such price as will provide a gross redemption yield 0.5% per annum above the gross redemption yield of the benchmark gilt plus, in either case, accrued and unpaid interest.

Upon the occurrence of a Put Event (as defined in the Trust Deed), each holder of CTI Bonds has the right to require such subsidiary to purchase all or a portion of such holder's CTI Bonds at a price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest to the date of purchase.

The Trust Deed contains certain covenants, including covenants that limit (i) indebtedness, (ii) restricted payments, (iii) distributions from restricted subsidiaries, (iv) transactions with affiliates, (v) sales of assets and subsidiary stock, (vi) dividend and other payment restrictions affecting restricted subsidiaries, and (vii) mergers or consolidations.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Offering, the Company will have outstanding 97,728,545 shares of Common Stock (99,039,510 shares if the over-allotment option is exercised in full). Of these shares, the 31,250,000 shares of Common Stock (35,937,500 if the over-allotment option is exercised in full) sold in the Offering will be freely tradeable without restriction or further registration under the Securities Act, unless held by an "affiliate" of the Company as that term is defined in Rule 144 promulgated under the Securities Act ("Rule 144"), which shares will be subject to the resale limitation of Rule 144. The remaining 66,478,545 shares of Common Stock (63,102,010 if the over-allotment option is exercised in full) have not been registered under the Securities Act and may not be sold unless they are registered or unless an exemption from registration, such as the exemption provided by Rule 144 or Rule 701 under the Securities Act ("Rule 701"), is available. As a result of the contractual restrictions described below and the provisions of Rule 144 and Rule 701, 66,391,137 shares will be eligible for sale upon expiration of the lock-up agreements 180 days after the date of this Prospectus and 87,408 shares will be eligible for sale upon expiration of their respective one-year holding periods.

The Company has agreed, during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, not to offer, sell, contract to sell or otherwise dispose of any securities of the Company that are substantially similar to the Common Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Common Stock or any such substantially similar securities, without the prior written consent of Lehman Brothers Inc. In addition, the Company's directors and executive officers and, with certain limited exceptions, all other existing stockholders of the Company who represent in the aggregate approximately 68.0% of the outstanding Common Stock after the Offering, will be required, during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, not to, directly or indirectly, offer, pledge, sell, contract to sell or otherwise dispose of any securities of the Company outstanding as of the date of this Prospectus, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive any Common Stock or substantially similar securities, or enter into any swap or other arrangement that transfers, in whole or in part, the economic consequences of ownership of any securities of the Company, without the prior written consent of Lehman Brothers Inc. In addition to certain typical exceptions to such "lock-up" agreements, each employee of the Company or its subsidiaries (excluding Mr. Crown, certain executive officers and the directors of the Company) that is a party to such an agreement is permitted to sell during the 180-day period described above up to 12% of the shares of Common Stock beneficially owned or held under option by such employee as of the date of this Prospectus; provided that such sales must be made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom; provided further that if any such employee has granted an option to the U.S. Underwriters to sell additional shares to cover over-allotments, then such employee's eligibility for this additional exception is reduced by the number of shares sold upon exercise of the over-allotment option. See "Underwriting".

In general, under Rule 144 as currently in effect, a stockholder, including an "affiliate", who has beneficially owned his or her restricted securities (as that term is defined in Rule 144) for at least one year from the later of the date such securities were acquired from the Company or (if applicable) the date they were acquired from an affiliate, is entitled to sell, within any three-month period, a number of such shares that does not exceed the greater of 1% of the then outstanding shares of Common Stock (which will equal approximately 1,000,000 shares immediately after the Offering) or the average weekly trading volume in the Common Stock during the four calendar weeks preceding the date on which notice of such sale was filed under Rule 144, provided certain requirements concerning availability of public information, manner of sale and notice of sale are satisfied. In addition, under Rule 144(k), if a period of at least two years has elapsed between the later of the date restricted securities were acquired from the Company or (if applicable) the date they were acquired from an affiliate of the Company, a stockholder who is not an affiliate of the Company at the time of sale and has not been an affiliate of the Company for at least three months prior to the sale is entitled to sell the shares immediately without compliance with the foregoing requirements under Rule 144.

Subject to certain limitations on the aggregate offering price of a transaction and other conditions, Rule 701 may be relied upon with respect to the resale of securities originally purchased from the Company by its employees, directors, officers, consultants or advisors prior to the date the issuer becomes subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to written compensatory benefit plans or written contracts relating to the compensation of such persons. In addition, the SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options (including exercises after the date of the Offering). Securities issued in reliance on Rule 701 are restricted securities and commencing 90 days after the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, subject to the contractual restrictions described above, may be sold (i) by persons other than affiliates, subject only to the manner of sale provisions of Rule 144, and (ii) by affiliates, under Rule 144 without compliance with its one-year minimum holding period requirements.

Following consummation of the Offering, the Company expects to file a registration statement on Form S-8 covering approximately 22,275,000 shares of Common Stock that are subject to outstanding options or reserved for issuance under the Company's stock option plans.

Approximately 64,000,000 shares of Common Stock (81,500,000 including shares issuable upon conversion or exercise of outstanding securities) will be subject to demand and piggyback registration rights. In addition, the Company estimates that upon the expiration of the 180-day lockup period described above, approximately 46,500,000 shares may be sold under Rule 144, subject to the volume restrictions contained therein.

Except as indicated above, the Company is unable to estimate the amount, timing and nature of future sales of outstanding Common Stock. Prior to the Offering, there has been no public market for the Common Stock, and no prediction can be made as to the effect, if any, that market sales of shares of Common Stock or the availability of shares for sale will have on the market price of the Common Stock prevailing from time to time. Nevertheless, sales of significant numbers of shares of Common Stock in the public market could adversely affect the market price of the Common Stock and could impair the Company's ability to raise capital through an offering of its equity securities. See "Risk Factors--Shares Eligible for Future Sale" and "Underwriting".

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS

The following is a general summary of the material United States Federal income and estate tax considerations to a Non-U.S. Holder (as defined below) relevant to the ownership and disposition of shares of Common Stock. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed United States Treasury regulations promulgated thereunder, Internal Revenue Service (the "IRS") rulings, official pronouncements and judicial decisions, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or different interpretations. This summary does not discuss all the tax consequences that may be relevant to a particular Non-U.S. Holder in light of the holder's particular circumstances and it is not intended to be applicable in all respects to all categories of Non-U.S. Holders, some of whom may be subject to special rules not discussed below. In addition, this summary does not address any state, local or foreign tax considerations that may be relevant to a Non-U.S. Holder's decision to purchase shares of Common Stock.

For purposes of this discussion, a "Non-U.S. Holder" is a person or entity that, for U.S. Federal income tax purposes, is either a non-resident alien individual, a foreign corporation, a foreign partnership or a foreign estate or trust in each case not subject to U.S. Federal income tax on a net income basis in respect of income or gain with respect to Common Stock. An individual may be deemed to a resident alien (as opposed to a non-resident alien) by virtue of being present in the United States on at least 31 days during the calendar year and for an aggregate of 183 days during the calendar year and the two preceding calendar years (counting, for such purposes all the days present in the current year, one-third of the days present in the immediately preceding year and one sixth of the days present in the second preceding year). In addition to the "substantial presence test" described in the immediately preceding sentence, an individual may be treated as a resident alien if he or she (i) meets the lawful permanent residence test (a so-called "green card" test) or (ii) elects to be treated as a U.S. resident and meets the "substantial presence test" in the immediately following year. Generally, resident aliens are subject to U.S. Federal income and estate tax in the same manner as U.S. citizens and residents.

ALL NON-U.S. HOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF SHARES OF COMMON STOCK IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

DIVIDENDS ON COMMON STOCK

Generally, any dividends paid on Common Stock will be subject to United States Federal withholding tax at a rate of 30% of the amount of the dividend, or at a lower applicable treaty rate. However, if the dividend is effectively connected with a United States trade or business of a Non-U.S. Holder (and is attributable to a U.S. permanent establishment of such holder, if an applicable income tax treaty so requires as a condition for the Non-U.S. Holder to be subject to U.S. income tax on a net income basis in respect or such dividends) it will be subject to United States Federal income tax on a net basis at ordinary Federal income tax rates (in which case the branch profits tax at 30% (or such lower rate as may be specified in an applicable treaty) may also apply if such holder is a foreign corporation), and assuming certain certification requirements are met, will not be subject to the 30% withholding tax.

Under current Treasury regulations, a holder's status as a Non-U.S. Holder and eligibility for a tax treaty reduced rate of withholding will be determined by reference to the holder's address and to any outstanding certificates or statements concerning eligibility for a reduced rate of withholding, unless facts and circumstances indicate that reliance on such address, certificates or statements is not warranted. However, subject to certain transitional rules, recently issued Treasury regulations require a Non-U.S. Holder to provide certifications under penalties of perjury in order to obtain treaty benefits for payments made after December 31, 1999.

SALE OR EXCHANGE OF COMMON STOCK

Subject to the discussion of backup withholding below, any capital gain realized upon a sale or exchange of Common Stock by a beneficial owner who is a Non-U.S. Holder ordinarily will not be subject to United States Federal income tax unless (i) such gain is effectively connected with a trade or business conducted by such Non-U.S. Holder within the United States (in which case the branch profits tax at 30% (or such lower rate as may be specified in an applicable treaty) may also apply if the holder is a foreign corporation), (ii) in the case of a Non-U.S. Holder that is an individual, such holder is present in the United States for a period or periods aggregating 183 days or more in the taxable year of the sale or exchange and either (a) has a "tax home" for Federal income tax purposes in the United States or (b) has an office or other fixed place of business in the United States to which the gain is attributable or (iii) the Company is or has been a "United States real property holding corporation" (a "USRPHC") for Federal income tax purposes within the lesser of (a) the five-year period ending on the date of the sale or exchange and (b) the Non-U.S. Holder's holding period, and, in each case, no treaty exception is applicable. The Company does not believe that it is currently a USRPHC. Moreover, even if the Company were to become a USRPHC, any gain recognized by a Non-U.S. Holder still would not be subject to U.S. tax if the shares were to be "regularly traded" (within the meaning of applicable Treasury regulations) on an established securities market (such as, for example, the Nasdaq Stock Market) and the Non-U.S. Holder did not own, directly or constructively, more than 5% of the outstanding Common Stock.

FEDERAL ESTATE TAXES

Common Stock that is beneficially owned by an individual who is neither a citizen nor a resident of the United States at the time of death will be included in such individual's gross estate for United States Federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Generally, dividends on Common Stock paid to Non-U.S. Holders that are subject to the 30% or a reduced treaty rate of United States Federal withholding tax will be exempt from backup withholding tax. Otherwise, backup withholding of United States Federal income tax at a rate of 31% may apply to dividends paid with respect to Common Stock to holders that are not "exempt recipients" and that fail to provide certain information (including the holder's taxpayer identification number) in the manner required by United States law and applicable regulations.

Payments of the proceeds from the sale by a Non-U.S. Holder of shares of Common Stock made to or through a foreign office of a broker will not be subject to information reporting or backup withholding except that if the broker is a United States person, a controlled foreign corporation for United States tax purposes or a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period, information reporting may apply to such payments. Payments of the proceeds from the sale of shares of Common Stock to or through the United States office of a broker will be subject to information reporting and backup withholding unless the holder certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding. Subject to certain transitional rules, recently adopted Treasury regulations change information reporting requirements for Non-U.S. Holders for payments made after December 31, 1999. Accordingly, a Non-U.S. Holder should consult its tax advisor regarding the effects on it, if any, of these new regulations.

UNDERWRITING

Under the terms of, and subject to the conditions contained in, the U.S. Underwriting Agreement (the "U.S. Underwriting Agreement"), the form of which is filed as an Exhibit to the Registration Statement, the underwriters named below (the "U.S. Underwriters"), for whom Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co. and Smith Barney Inc. are acting as representatives (the "U.S. Representatives"), have severally agreed, subject to the terms and conditions of the U.S. Underwriting Agreement, to purchase from the Company and the Selling Stockholder, and the Company and the Selling Stockholder have agreed to sell to each U.S. Underwriter, the aggregate number of shares of Common Stock set forth opposite the name of each such U.S. Underwriter below:

U.S. UNDERWRITERS	NUMBER OF SHARES
Lehman Brothers Inc.	
Credit Suisse First Boston Corporation	
Goldman, Sachs & Co.	
Smith Barney Inc.	
Total	25,000,000

Under the terms of, and subject to the conditions contained in, the International Underwriting Agreement (the "International Underwriting Agreement"), the form of which is filed as an Exhibit to the Registration Statement, the managers named below of the concurrent offering of the shares of Common Stock outside the U.S. and Canada (the "International Managers") for whom Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc. are acting as lead managers (the "Lead Managers" and, together with the U.S. Representatives, the "Representatives"), have severally agreed, subject to the terms and conditions of the International Underwriting Agreement, to purchase from the Company, and the Company has agreed to sell to each International Manager, the aggregate number of shares of Common Stock set forth opposite the name of each International Manager below:

INTERNATIONAL MANAGERS	NUMBER OF SHARES
Lehman Brothers International (Europe)	
Credit Suisse First Boston (Europe) Limited	
Goldman Sachs International	
Smith Barney Inc.	
Total	6,250,000

The U.S. Underwriting Agreement and the International Underwriting Agreement (collectively, the "Underwriting Agreements" provide that the obligations of the U.S. Underwriters and the International Managers to purchase shares of Common Stock are subject to certain conditions, and that if any of the foregoing shares of Common Stock are purchased by the U.S. Underwriters pursuant to the U.S. Underwriting Agreement or by the International Managers pursuant to the International Underwriting Agreement, then all the shares of Common Stock agreed to be purchased by the U.S. Underwriters and the International Managers, as the case may be, pursuant to their respective Underwriting Agreement, must be so purchased. The offering price and underwriting discounts and commissions per share for the U.S. Offering and the International Offering are identical. The closing of the U.S. Offering is a condition to the closing of the International Offering and the closing of the International Offering is a condition to the closing of the U.S. Offering.

The Company, the Selling Stockholder and certain additional stockholders identified below who may participate in the over-allotment option (as described herein) have been advised by the Representatives that the

U.S. Underwriters and the International Managers propose to offer the shares of Common Stock directly to the public at the public offering price set forth on the cover page of this Prospectus, and to certain selected dealers (who may include the U.S. Underwriters and the International Managers) at such public offering price less a selling concession not in excess of $ per share. The selected dealers may reallow a concession not in excess of $ per share to certain brokers and dealers. After the Offering, the public offering price, the concession to selected dealers and the reallowance may be changed by the U.S. Underwriters and the International Managers.

The Company and the Selling Stockholder have agreed to indemnify, under certain circumstances, the U.S. Underwriters and, in the case of the Company, the International Managers against certain liabilities, including liabilities under the Securities Act, and to contribute, under certain circumstances, to payments that the U.S. Underwriters and, in the case of the Company, the International Managers may be required to make in respect thereof.

The Company and the following Stockholders of the Company have granted to the U.S. Underwriters options to purchase up to an aggregate of 4,687,500 additional shares of Common Stock, exercisable solely to cover over-allotments, at the public offering price less the underwriting discounts and commissions shown on the cover page of this Prospectus: (i) Messrs. Miller, Ivy, Green, Gwyn, Rees and Reese, each of whom is an executive of the Company or CTSH (the "Executives"), have granted to the U.S. Underwriters options to purchase up to an aggregate of 1,034,850 shares of Common Stock; (ii) Messrs. and Mmes. Bettenhausen, Broussard, Cordell, Cunningham, Dennehy, Easter, Ellen, Schueppert, Taylor, Turner, Uminski, Wallander, Ward and Wing, each of whom is a member of management of the Company, CCI or CTSH (the "Employees"), have granted to the U.S. Underwriters options to purchase up to an aggregate of 300,340 shares of Common Stock; and (iii) Centennial Fund IV, L.P., Centennial Entrepreneurs Fund V, L.P., Centennial Fund V, Fay, Richwhite Communications Limited, Harvard Private Capital Holdings, Inc., Nassau Capital Partners II, L.P., NAS Partners I, L.L.C., New York Life Insurance Company, the Northwestern Mutual Life Insurance Company, PNC Venture Corp., Prime VIII, L.P., and Messrs. Neuger, Pinkerton and Smith, each of which is an investor in the Company (the "Investors") and Messrs. Hutcheson, Martin and McKenzie each of whom is a director of the Company (the "Directors" and together with the Investors, the "Sponsors"), have granted to the U.S. Underwriters options to purchase up to an aggregate of 2,554,375 shares of Common Stock. Such options may be exercised at any time until 30 days after the date of the U.S. Underwriting Agreement. To the extent that the over-allotment option is exercised, each U.S. Underwriter or International Manager, as the case may be, will be committed, subject to certain conditions, to purchase a number of additional shares of Common Stock proportionate to such U.S. Underwriter's or International Manager's initial commitment as indicated in the preceding tables.

The Executives, the Employees and the Sponsors have agreed to indemnify, under certain circumstances, the U.S. Underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute, under certain circumstances, to the payments that the U.S. Underwriters may be required to make in respect thereof.

Prior to the Offering, there has been no public market for the shares of Common Stock. The initial public offering price was negotiated between the Company and the Representatives. Among the factors considered in determining the initial public offering price of the shares of Common Stock, in addition to prevailing market conditions, were the Company's historical performance and capital structure, estimates of business potential and earning prospects of the Company, an overall assessment of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

The U.S. Underwriters and the International Managers have entered into an Agreement Between U.S. Underwriters and International Managers pursuant to which each U.S. Underwriter has agreed that, as part of the distribution of the shares of Common Stock offered in the U.S. Offering, (i) it is not purchasing any such shares for the account of anyone other than a U.S. or Canadian Person (as defined below), and (ii) it has not offered or sold, will not offer, sell, resell or deliver, directly or indirectly, any such shares or distribute any prospectus relating to the U.S. Offering to anyone other than a U.S. or Canadian Person. In addition, pursuant to such Agreement, each International Manager has agreed that, as part of the distribution of the shares of Common Stock offered in the International Offering, (i) it is not purchasing any such shares for the account of a U.S. or Canadian Person, and (ii) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any of such shares or distribute any prospectus relating to the International Offering to any U.S. or Canadian Person.

The foregoing limitations do not apply to stabilization transactions or to certain other transactions specified in the Underwriting Agreements and the Agreement Between U.S. Underwriters and International Managers, including (i) certain purchases and sales between U.S. Underwriters and the International Managers, (ii) certain offers, sales, resales, deliveries or distributions to or through investment advisors or other persons exercising investment discretion, (iii) purchases, offers or sales by a U.S. Underwriter who is also acting as an International Manager or by an International Manager who is also acting as a U.S. Underwriter and (iv) other transactions specifically approved by the U.S. Representatives and the Lead Managers. As used herein, the term "U.S. or Canadian Person" means any resident or citizen of the United States or Canada, any corporation, partnership or other entity created or organized in or under the laws of the United States or Canada or any political subdivision thereof, or any estate or trust the income of which is subject to United States or Canadian federal income taxation regardless of the source, the term "United States" means the United States of America (including the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction, and the term "Canada" means Canada, its provinces, its territories, its possessions and other areas subject to its jurisdiction.

Pursuant to the Agreement Between the U.S. Underwriters and the International Managers, sales may be made between the U.S. Underwriters and the International Managers of such a number of shares of Common Stock as may be mutually agreed. The price of any shares so sold shall be the public offering price as then in effect for the shares of Common Stock being sold by the U.S. Underwriters and the International Managers less an amount equal to the selling concession allocable to such shares of Common Stock, unless otherwise determined by mutual agreement. To the extent that there are sales between the U.S. Underwriters and the International Managers pursuant to the Agreement Between the U.S. Underwriters and the International Managers the number of shares of Common Stock available for sale by the U.S. Underwriters or by the International Managers may be more or less than the amount specified on the cover page of this Prospectus.

Until the distribution of the Common Stock is completed, rules of the Commission may limit the ability of the U.S. Underwriters and certain selling group members to bid for and purchase shares of Common Stock. As an exception to these rules, the Representatives are permitted to engage in certain transactions that stabilize the price of the Common Stock. Such transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Common Stock.

If the U.S. Underwriters create a short position in the Common Stock in connection with the Offering (i.e., if they sell more shares of Common Stock than are set forth on the cover page of this Prospectus), the U.S. Representatives may reduce that short position by purchasing Common Stock in the open market. The U.S. Representatives also may elect to reduce any short position by exercising all or part of the over-allotment option described herein.

The U.S. Representatives may also impose a penalty bid on certain U.S. Underwriters and selling group members. This means that, if the U.S. Representatives purchase shares of Common Stock in the open market to reduce the U.S. Underwriters' short position or to stabilize the price of the Common Stock, they may reclaim the amount of the selling concession from the U.S. Underwriters and selling group members who sold those shares as part of the Offering.

In general, purchases of a security for the purpose of stabilization or to reduce a syndicate short position could cause the price of the security to be higher than it might otherwise be in the absence of such purchases.

The imposition of a penalty bid might have an effect on the price of a security to the extent that it were to discourage resales of the security by purchasers in the Offering.

Neither the Company nor any of the U.S. Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Common Stock. In addition, neither the Company nor any of the U.S. Underwriters makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Each International Manager has represented and agreed that (i) it has not offered or sold and, prior to the date six months after the date of issue of the shares of Common Stock, will not offer or sell any shares of Common Stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the shares of Common Stock in, from or otherwise involving the United Kingdom, and (iii) it has only issued or passed on, and will only issue or pass on to any person in the United Kingdom any document received by it in connection with the issue of the shares of Common Stock if that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996.

The Common Stock has been approved for listing, subject to notice of issuance, on The Nasdaq Stock Market's National Market under the symbol "TWRS".

The Company, all executive officers and directors of the Company and, subject to certain limited exceptions, all other existing stockholders of the Company have agreed that they will not, subject to certain limited exceptions, for a period of 180 days from the date of this Prospectus, directly or indirectly, offer for sale, sell or otherwise dispose of any shares of Common Stock or any securities convertible into or exchangeable or exercisable for any such shares of Common Stock or enter into any derivative transaction with similar effect as a sale of Common Stock, without the prior written consent of Lehman Brothers Inc. The restrictions described in this paragraph do not apply to (i) the sale of Common Stock to the Underwriters, (ii) the issuance by the Company of shares of Common Stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this Prospectus or (iii) transfers, without consideration, of the Common Stock to family members or to one or more trusts established for the benefit of one or more family members. Furthermore, an additional exception was made for each employee of the Company or its subsidiaries (excluding Mr. Crown, the Executives and the directors of the Company) that is a party to a lock-up agreement to permit each such employee to sell during the 180-day period described above up to 12% of the shares of Common Stock beneficially owned by such employee as of the date of this Prospectus; provided that such sales must be made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom; provided further that if any such employee is an Employee participating in the over-allotment option described above, then such Employee's eligibility for this additional exception is reduced by the number of shares sold upon exercise of the over-allotment option.

Any offer of the shares of Common Stock in Canada will be made only pursuant to an exemption from the prospectus filing requirement and an exemption from the dealer registration requirement (where such an exemption is not available, offers shall be made only by a registered dealer) in the relevant Canadian jurisdiction where such offer is made.

Purchasers of the shares of Common Stock offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase, in addition to the offering price set forth on the cover hereof.

The U.S. Underwriters and the International Managers have informed each of the Company, the Selling Stockholders, the Executives, the Employees and the Sponsors that they do not intend to sell to, and therefore will not confirm the sales of shares of Common Stock to discretionary accounts to exceed five percent of the total number of shares of Common Stock offered by them.

Lehman Brothers Inc. has provided investment banking, financial advisor and other services to the Company, for which services Lehman Brothers Inc. has received fees. In addition, Credit Suisse First Boston Corporation and its affiliates has provided investment banking services to the Company and CTI, for which it has received fees, and Credit Suisse First Boston, an affiliate of Credit Suisse First Boston Corporation, has acted as arranger and agent of the CTI Credit Facility in connection with which it has received fees. Salomon Smith Barney, an affiliate of Smith Barney Inc., has acted as advisor to TdF in connection with the negotiation of the Roll-Up, for which Salomon Smith Barney received fees, and William A. Murphy, a Director of Mergers & Acquisitions at Salomon Smith Barney, is expected to be elected as a director of the Company upon consummation of the Roll-Up.

VALIDITY OF COMMON STOCK

The validity of the Common Stock offered hereby will be passed upon for the Company by Cravath, Swaine & Moore, New York, New York, and for the Underwriters by Latham & Watkins, New York, New York.

EXPERTS

The consolidated financial statements and schedule of the Company at December 31, 1996 and 1997, and for each of the three years in the period ended December 31, 1997, the combined financial statements of Crown for each of the two years in the period ended December 31, 1996 and the seven months ended July 31, 1997, the financial statements of the Home Service Transmission business of the BBC at March 31, 1996 and for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 and the consolidated financial statements of CTI at March 31, 1997 and December 31, 1997 and for the period from February 28, 1997 to March 31, 1997 and the period from April 1, 1997 to December 31, 1997, and the financial statements of TEA Group Incorporated at December 31, 1996 and for the year then ended, have been included herein in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of TEA Group Incorporated at December 31, 1995 and for the year then ended, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon appearing elsewhere herein and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

The Company has filed with the Commission a Registration Statement on Form S-1 under the Securities Act with respect to the Common Stock offered hereby (the "Registration Statement"). This Prospectus, which constitutes a part of the Registration Statement, does not contain all the information set forth in the Registration Statement, certain parts of which have been omitted from this Prospectus in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the Common Stock offered hereby, reference is made to the Registration Statement, including the exhibits and schedules filed therewith. Statements made in this Prospectus concerning the contents of any document referred to herein are not necessarily complete. With respect to each such document filed with the Commission as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such document filed with the Commission as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

The Registration Statement, including the exhibits and scheduled thereto, such reports and other information can be inspected and copied at the Public Reference Section of the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549 and at the regional offices of the Commission located at 7 World Trade Center, 13th Floor, Suite 1300, New York, New York 10048 and Suite 1400, Citicorp Center, 14th Floor, 500 West Madison Street, Chicago, Illinois 60661. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549 and its public reference facilities in New York, New York and Chicago, Illinois. The Commission also maintains a Web site that contains reports, proxy and information statements and other information regarding registrants, such as the Company, that file electronically with the Commission. The address of such site is http://www.sec.gov.

INDEX TO FINANCIAL STATEMENTS

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

ASSETS	DECEMBER 31, 1997	JUNE 30, 1998 (UNAUDITED)
Current assets:		
Cash and cash equivalents	$ 55,078	$ 51,258
Receivables:		
Trade, net of allowance for doubtful accounts of $177 and $212 at December 31, 1997 and June 30, 1998, respectively	9,264	10,150
Other	811	1,390
Inventories	1,322	1,233
Prepaid expenses and other current assets	681	1,350
Total current assets	67,156	65,381
Property and equipment, net of accumulated depreciation of $4,852 and $7,882 at December 31, 1997 and June 30, 1998, respectively	81,968	131,492
Investments in affiliates	59,082	61,432
Goodwill and other intangible assets, net of accumulated amortization of $3,997 and $8,574 at December 31, 1997 and June 30, 1998, respectively	152,541	148,336
Deferred financing costs and other assets, net of accumulated amortization of $743 and $1,134 at December 31, 1997 and June 30, 1998, respectively	10,644	12,189
	$371,391	$418,830
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,760	$ 6,311
Accrued compensation and related benefits	1,792	847
Other accrued liabilities	2,398	2,379
Total current liabilities	11,950	9,537
Long-term debt	156,293	216,869
Other liabilities	607	822
Total liabilities	168,850	227,228
Commitments and contingencies		
Redeemable preferred stock, $.01 par value; 6,435,228 shares authorized:		
Senior Convertible Preferred Stock; 657,495 shares issued (stated at redemption value; aggregate liquidation value of $68,916 and $74,866, respectively)	67,948	72,080
Series A Convertible Preferred Stock; 1,383,333 shares issued (stated at redemption and aggregate liquidation value)	8,300	8,300
Series B Convertible Preferred Stock; 864,568 shares issued (stated at redemption and aggregate liquidation value)	10,375	10,375
Series C Convertible Preferred Stock; 3,529,832 shares issued (stated at redemption and aggregate liquidation value)	74,126	74,126
Total redeemable preferred stock	160,749	164,881
Stockholders' equity:		
Common stock, $.01 par value; 12,800,000 shares authorized:		
Class A Common Stock; 1,041,565 shares issued	2	2
Class B Common Stock; 9,367,165 shares issued	19	19
Additional paid-in capital	58,248	58,584
Cumulative foreign currency translation adjustment	562	2,319
Accumulated deficit	(17,039)	(34,203)
Total stockholders' equity	41,792	26,721
	$371,391	$418,830

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1998	1997	1998
Net revenues:				
Site rental	$ 1,674	$ 5,387	$ 3,341	$ 10,448
Network services and other	3,097	6,143	3,424	12,919
	4,771	11,530	6,765	23,367
Operating expenses:				
Costs of operations (exclusive of depreciation and amortization):				
Site rental	347	1,246	605	2,418
Network services and other	2,166	2,734	2,171	7,155
General and administrative	980	4,965	1,491	8,768
Corporate development	1,677	691	3,782	2,022
Depreciation and amortization	522	4,091	930	7,695
	5,692	13,727	8,979	28,058
Operating loss	(921)	(2,197)	(2,214)	(4,691)
Other income (expense):				
Equity in earnings (losses) of unconsolidated affiliate	(418)	624	(221)	525
Interest and other income	207	664	1,508	1,370
Interest expense and amortization of deferred financing costs	(570)	(5,321)	(1,196)	(10,027)
Loss before income taxes	(1,702)	(6,230)	(2,123)	(12,823)
Provision for income taxes	(4)	(196)	(26)	(209)
Net loss	(1,706)	(6,426)	(2,149)	(13,032)
Dividends on Senior Convertible Preferred Stock	--	(2,077)	--	(4,132)
Net loss after deduction of dividends on Senior Convertible Preferred Stock	$(1,706)	$(8,503)	$(2,149)	$(17,164)
Net loss	$(1,706)	$(8,503)	$(2,149)	$(17,164)
Other comprehensive income:				
Foreign currency translation adjustments	693	1,086	1,078	1,757
Comprehensive loss	$(1,013)	$(7,417)	$(1,071)	$(15,407)
Loss per common share--basic and diluted	$ (0.51)	$ (0.78)	$ (0.64)	$ (1.57)
Common shares outstanding--basic and diluted (in thousands)	3,362	10,954	3,381	10,954

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(IN THOUSANDS OF DOLLARS)

	SIX MONTHS ENDED JUNE 30,	
	1997	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,149)	$ (13,032)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Amortization of deferred financing costs and discount on long-term debt	67	8,538
Depreciation and amortization	930	7,695
Equity in losses (earnings) of unconsolidated affiliate	221	(525)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in other liabilities	212	411
Decrease in accounts payable	(2,109)	(1,449)
Decrease (increase) in receivables	4,134	(1,465)
Increase in inventories, prepaid expenses and other assets	(421)	(2,145)
Decrease in accrued interest	(65)	--
Net cash provided by (used for) operating activities	396	(1,972)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(918)	(52,752)
Investments in affiliates	(59,482)	--
Acquisition of business, net of cash acquired	(6,094)	--
Net cash used for investing activities	(66,494)	(52,752)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under revolving credit agreements	1,920	52,550
Incurrence of financing costs	(553)	(1,646)
Proceeds from issuance of capital stock	74,183	--
Principal payments on long-term debt	(2,441)	--
Purchase of capital stock	(2,132)	--
Net cash provided by financing activities	70,977	50,904
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,879	(3,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,343	55,078
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 12,222	$ 51,258
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of stockholder's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock	$ 3,657	$ --
Amounts recorded in connection with acquisition:		
Fair value of net assets acquired, including goodwill	10,216	--
Issuance of long-term debt	1,872	--
Issuance of Class B Common Stock	2,250	--
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 1,179	$ 1,464
Income taxes paid	9	249

See condensed notes to consolidated financial statements.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The information contained in the following notes to the consolidated financial statements is condensed from that which would appear in the annual consolidated financial statements; accordingly, the consolidated financial statements included herein should be reviewed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 1997, and related notes thereto, of Crown Castle International Corp. included elsewhere herein. All references to the "Company" include Crown Castle International Corp. and its subsidiary companies unless otherwise indicated or the context indicates otherwise.

The consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at June 30, 1998, the consolidated results of operations for the three and six months ended June 30, 1997 and 1998 and consolidated cash flows for the six months ended June 30, 1997 and 1998. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the entire year.

Recent Accounting Pronouncements

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

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

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

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

2. ACQUISITIONS

On May 12, 1997, the Company acquired all of the common stock of TEA Group Incorporated and TeleStructures, Inc. (collectively, "TEA"). On August 15, 1997, the Company acquired (i) substantially all of the assets, net of outstanding liabilities, of Crown Communications ("CCM") and (ii) all of the outstanding common stock of Crown Network Systems, Inc. ("CNS") and Crown Mobile Systems, Inc. ("CMS") (collectively, "Crown"). These business acquisitions were accounted for using the purchase method. Results of operations and cash flows of the acquired businesses are included in the consolidated financial statements for the periods subsequent to the respective dates of acquisition. On a pro forma basis as if the TEA and Crown acquisitions and the investment in Castle Transmission Services (Holdings) Ltd ("CTI") had been consummated as of January 1, 1997, the Company had consolidated net revenues and a consolidated net loss for the six months ended June 30, 1997 of $30,362,000 and $4,487,000 (a loss of $0.41 per common share), respectively. Such pro forma results reflect appropriate adjustments for depreciation and amortization, interest expense, amortization of deferred financing costs, income taxes and certain nonrecurring income and expenses recorded by the Company in connection with the investment in CTI. The pro forma information does not necessarily reflect the actual results that would have been achieved, not is it necessarily indicative of future consolidated results for the Company.

3. LONG-TERM DEBT

Long-term debt consists of the following:

	DECEMBER 31, 1997	JUNE 30, 1998
	(IN THOUSANDS OF DOLLARS)	
Senior Credit Facility........................	$ 4,700	$ 57,250
10 5/8% Senior Discount Notes due 2007, net of discount....................................	151,593	159,619
	$ 156,293	$ 216,869

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

As of June 30, 1998, the Company does not have any Unrestricted Subsidiaries (as defined in the Indenture). The following information (as such capitalized terms are defined in the Indenture) is presented solely for the purpose of measuring compliance with respect to the terms of the Indenture; such information is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, the Company's measure of the following information may not be comparable to similarly titled measures of other companies.

	(IN THOUSANDS OF DOLLARS)
Tower Cash Flow, for the three months ended June 30, 1998	$ 3,792
Consolidated Cash Flow, for the twelve months ended June 30, 1998	$ 9,240
Less: Tower Cash Flow, for the twelve months ended June 30, 1998	(14,212)
Plus: four times Tower Cash Flow, for the three months ended June 30, 1998	15,168
Adjusted Consolidated Cash Flow, for the twelve months ended June 30, 1998	$ 10,196

4. PER SHARE INFORMATION

Per share information is based on the weighted-average number of common shares outstanding during each period for the basic computation and, if dilutive, the weighted-average number of potential common shares resulting from the assumed conversion of outstanding stock options, warrants and convertible preferred stock for the diluted computation.

A reconciliation of the numerators and denominators of the basic and diluted per share computations is as follows:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1998	1997	1998
	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)			
Net loss	$ (1,706)	$ (6,426)	$(2,149)	$(13,032)
Dividends on Senior Convertible Preferred Stock	--	(2,077)	--	(4,132)
Net loss applicable to common stock for basic and diluted computations	$ (1,706)	$ (8,503)	$(2,149)	$(17,164)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	3,362	10,954	3,381	10,954
Loss per common share--basic and diluted	$ (0.51)	$ (0.78)	$ (0.64)	$ (1.57)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of June 30, 1998: (i) options to purchase 5,280,510 shares of common stock at exercise prices ranging from $.40 to $7.50 per share; (ii) warrants to purchase 1,314,990 shares of common stock at an exercise price of $7.50 per share; (iii) shares of Senior Convertible Preferred Stock which are convertible into 9,600,430 shares of common stock; and (iv) shares of Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock which are convertible into 28,888,665 shares of common stock. The inclusion of such potential common shares in the diluted per share computations would be antidilutive since the Company incurred net losses for all periods presented.

5. CONTINGENCIES

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position or results of operations.

6. SUBSEQUENT EVENTS

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of CTI pursuant to which certain of CTI's shareholders have agreed to exchange their shares of CTI for shares of the Company. Upon the consummation of the exchange, the Company's ownership of CTI will increase from approximately 34.3% to approximately 80%. Consummation of the share exchange is subject to a number of significant conditions, including certain third party consents and the consummation of an initial public offering of common stock by the Company.

In connection with the share exchange, the Company intends to offer shares of its common stock in an underwritten initial public offering during the summer of 1998. On June 19, 1998, a registration statement in respect of such initial public offering was filed with the Securities and Exchange Commission (as amended, the "Registration Statement") and any securities offered in such initial public offering will only be offered by means of a prospectus forming a part of such Registration Statement.

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

During the period from April 24, 1998 through July 15, 1998, the Company granted options to employees and executives for the purchase of 3,236,980 shares of its common stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares will vest upon consummation of the initial public offering and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, the Company has assigned its right to repurchase shares of its common stock from a stockholder (at a price of $6.26 per share) to two individuals (including an expected director nominee) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the share exchange agreement with CTI's shareholders and at prices substantially below the expected price to the public in the initial public offering, the Company will record a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the initial public offering. Such compensation charge will total approximately $35.1 million, of which approximately $20.2 million will be recognized upon consummation of the initial public offering (for such options and shares which vest upon consummation of the initial public offering), and the remaining $14.9 million will be recognized over five years (approximately $3.0 million per year) through the second quarter of 2003.

In July 1998, all of the holders of the Company's Senior Convertible Preferred Stock converted such shares into an aggregate of 9,629,200 shares of the Company's common stock.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Crown Castle International Corp.:

We have audited the accompanying consolidated balance sheets of Crown Castle International Corp. and subsidiaries as of December 31, 1996 and 1997, and the related consolidated statements of operations, cash flows and stockholders' equity (deficit) for each of the three years in the period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Crown Castle International Corp. and subsidiaries as of December 31, 1996 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Houston, Texas
February 20, 1998 (July 24, 1998 as to Note 14)

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31, 1996	DECEMBER 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,343	$ 55,078
Receivables:		
Trade, net of allowance for doubtful accounts of $32 and $177 at December 31, 1996 and 1997, respectively	840	9,264
Other	1,081	811
Inventories	--	1,322
Prepaid expenses and other current assets	149	681
Total current assets	9,413	67,156
Property and equipment, net	26,753	81,968
Investments in affiliates	2,101	59,082
Goodwill and other intangible assets, net of accumulated amortization of $47 and $3,997 at December 31, 1996 and 1997, respectively	820	152,541
Deferred financing costs and other assets, net of accumulated amortization of $153 and $743 at December 31, 1996 and 1997, respectively	2,139	10,644
	$41,226	$371,391
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 1,048	$ 7,760
Accrued interest	49	--
Accrued compensation and related benefits	--	1,792
Other accrued liabilities	508	2,398
Long-term debt, current maturities	140	--
Total current liabilities	1,745	11,950
Accrued interest	729	--
Long-term debt, less current maturities	21,912	156,293
Site rental deposits and other liabilities	1,500	607
Total liabilities	25,886	168,850
Commitments and contingencies (Note 11)		
Redeemable preferred stock, $.01 par value; 6,435,228 shares authorized:		
Senior Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--657,495 (stated at redemption value; aggregate liquidation value of $0 and $68,916, respectively)	--	67,948
Series A Convertible Preferred Stock; shares issued: December 31, 1996--862,455 and December 31, 1997--1,383,333 (stated at redemption and aggregate liquidation value)	5,175	8,300
Series B Convertible Preferred Stock; 864,568 shares issued (stated at redemption and aggregate liquidation value)	10,375	10,375
Series C Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--3,529,832 (stated at redemption and aggregate liquidation value)	--	74,126
Total redeemable preferred stock	15,550	160,749
Stockholders' equity (deficit):		
Common stock, $.01 par value; 11,511,109 shares authorized:		
Class A Common Stock; shares issued: December 31, 1996--1,350,000 and December 31, 1997--1,041,565	3	2
Class B Common Stock; shares issued: December 31, 1996--1,488,330 and December 31, 1997 -- 9,367,165	3	19
Additional paid-in capital	762	58,248
Cumulative foreign currency translation adjustment	--	562
Accumulated deficit	(978)	(17,039)
Total stockholders' equity (deficit)	(210)	41,792
	$41,226	$371,391

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
Net revenues:			
Site rental	$ 4,052	$ 5,615	$ 11,010
Network services and other	6	592	20,395
	4,058	6,207	31,405
Operating expenses:			
Costs of operations (exclusive of depreciation and amortization):			
Site rental	1,226	1,292	2,213
Network services and other	--	8	13,137
General and administrative	729	1,678	6,824
Corporate development	204	1,324	5,731
Depreciation and amortization	836	1,242	6,952
	2,995	5,544	34,857
Operating income (loss)	1,063	663	(3,452)
Other income (expense):			
Equity in losses of unconsolidated affiliate	--	--	(1,138)
Interest and other income	53	193	1,951
Interest expense and amortization of deferred financing costs	(1,137)	(1,803)	(9,254)
Loss before income taxes	(21)	(947)	(11,893)
Provision for income taxes	--	(10)	(49)
Net loss	(21)	(957)	(11,942)
Dividends on Senior Convertible Preferred Stock	--	--	(2,199)
Net loss after deduction of dividends on Senior Convertible Preferred Stock	$ (21)	$ (957)	$(14,141)
Loss per common share--basic and diluted	$ (0.01)	$(0.27)	$ (2.27)
Common shares outstanding--basic and diluted (in thousands)	3,316	3,503	6,238

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (21)	$ (957)	$(11,942)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Depreciation and amortization	836	1,242	6,952
Amortization of deferred financing costs and discount on long-term debt	36	55	2,159
Equity in losses of unconsolidated affiliate	--	--	1,138
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase in accounts payable	406	323	1,824
Decrease (increase) in receivables	(226)	(1,695)	1,353
Increase in inventories, prepaid expenses and other assets	(63)	(23)	(1,472)
Increase (decrease) in accrued interest	472	306	(396)
Increase (decrease) in other liabilities	232	219	(240)
Net cash provided by (used for) operating activities	1,672	(530)	(624)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments in affiliates	--	(2,101)	(59,487)
Acquisitions of businesses, net of cash acquired	(16,512)	(10,925)	(33,962)
Capital expenditures	(161)	(890)	(18,035)
Net cash used for investing activities	(16,673)	(13,916)	(111,484)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	6,168	--	150,010
Proceeds from issuance of capital stock	5,072	10,503	139,867
Principal payments on long-term debt	--	(130)	(113,881)
Incurrence of financing costs	(343)	(180)	(7,798)
Net borrowings (payments) under revolving credit agreements	4,700	11,000	(6,223)
Purchase of capital stock	--	--	(2,132)
Net cash provided by financing activities	15,597	21,193	159,843
NET INCREASE IN CASH AND CASH EQUIVALENTS	596	6,747	47,735
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	--	596	7,343
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 596	$ 7,343	$ 55,078
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Conversion of stockholder's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock	$ 743	$ --	$ 3,657
Amounts recorded in connection with acquisitions (see Note 2):			
Fair value of net assets acquired, including goodwill and other intangible assets	17,801	10,958	197,235
Issuance of long-term debt	762	--	78,102
Assumption of long-term debt	295	--	27,982
Issuance of Class B Common Stock	--	--	57,189
Amounts due to seller	232	33	--
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ 628	$ 1,442	$ 7,533
Income taxes paid	--	--	26

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	CLASS A COMMON STOCK		CLASS B COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	CUMULATIVE FOREIGN CURRENCY TRANSLATION ADJUSTMENT	ACCUMULATED DEFICIT	TOTAL
	SHARES	($.01 PAR)	SHARES	($.01 PAR)				
Balance, January 1, 1995	--	$ --	--	$ --	$ --	$ --	$ --	$ --
Issuances of capital stock	1,350,000	3	1,433,330	3	634	--	--	640
Net loss	--	--	--	--	--	--	(21)	(21)
Balance, December 31, 1995	1,350,000	3	1,433,330	3	634	--	(21)	619
Issuances of capital stock	--	--	55,000	--	128	--	--	128
Net loss	--	--	--	--	--	--	(957)	(957)
Balance, December 31, 1996	1,350,000	3	1,488,330	3	762	--	(978)	(210)
Issuances of capital stock	--	--	8,228,835	17	57,696	--	--	57,713
Purchase of capital stock	(308,435)	(1)	(350,000)	(1)	(210)	--	(1,920)	(2,132)
Foreign currency translation adjustments	--	--	--	--	--	562	--	562
Dividends on Senior Convertible Preferred Stock	--	--	--	--	--	--	(2,199)	(2,199)
Net loss	--	--	--	--	--	--	(11,942)	(11,942)
Balance, December 31, 1997	1,041,565	$ 2	9,367,165	$ 19	$58,248	$562	$(17,039)	$41,792

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Crown Castle International Corp. and its wholly owned subsidiaries, collectively referred to herein as the "Company." All significant intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to the prior year's financial statements to be consistent with the presentation in the current year.

The Company (a Delaware corporation) was organized on April 20, 1995. On April 27, 1995, the stockholders of Castle Tower Corporation ("CTC") contributed all of the outstanding shares of CTC's stock to the Company in exchange for shares of the Company's stock. CTC (a Delaware corporation) was organized on December 21, 1994 and began operations on January 1, 1995. The Company and CTC have treated this exchange of securities as a reorganization of entities under common control. As such, the transaction has been accounted for as if it were a pooling of interests on January 1, 1995.

The Company owns, operates and manages wireless transmission towers and rooftop sites, and also provides an array of related infrastructure and network support services to the wireless communications and radio and television broadcasting industries. The Company's primary business focus is the leasing of antenna space on multiple tenant towers and rooftops to a variety of wireless communications carriers under long-term lease contracts. The Company's transmission towers and rooftop sites are located throughout the United States and in Puerto Rico.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed utilizing the straight-line method at rates based upon the estimated useful lives of the various classes of assets. Additions, renewals and improvements are capitalized, while maintenance and repairs are expensed. Upon the sale or retirement of an asset, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

In March 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("SFAS 121"). SFAS 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS 121 was effective for fiscal years beginning after December 15, 1995. The adoption of SFAS 121 by the Company in 1996 did not have a material impact on its consolidated financial statements.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets represents the excess of the purchase price for an acquired business over the allocated value of the related net assets (see Note 2). Goodwill is amortized on a straight-line basis over a twenty year life. Other intangible assets (principally the value of existing site rental contracts at Crown Communications) are amortized on a straight-line basis over a ten year life. The carrying value of goodwill and other intangible assets will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the acquired assets may not be recoverable. If the sum of the estimated future cash flows (undiscounted) expected to result from the use and eventual disposition of an asset is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of an impairment loss is based on the fair value of the asset.

Deferred Financing Costs

Costs incurred to obtain financing are deferred and amortized over the estimated term of the related borrowing. At December 31, 1997, other accrued liabilities includes $1,160,000 of such costs related to the issuance of the Company's 10 5/8% Senior Discount Notes.

Revenue Recognition

Site rental revenues are recognized on a monthly basis under lease or management agreements with terms ranging from 12 months to 25 years.

Network services revenues from site development, construction and antennae installation activities are recognized under a method which approximates the completed contract method. This method is used because these services are typically completed in three months or less and financial position and results of operations do not vary significantly from those which would result from use of the percentage-of-completion method. These services are considered complete when the terms and conditions of the contract or agreement have been substantially completed. Costs and revenues associated with installations not complete at the end of a period are deferred and recognized when the installation becomes operational. Any losses on contracts are recognized at such time as they become known.

Network services revenues from site selection and acquisition activities are recognized under service contracts with customers which provide for billings on a time and materials, cost plus profit, or fixed price basis. Such contracts typically have terms from six months to two years. Revenues are recognized as services are performed with respect to the time and materials contracts. Revenues are recognized using the percentage-of-completion method for cost plus profit and fixed price contracts, measured by the percentage of contract costs incurred to date compared to estimated total contract costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Corporate Development Expenses

Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives.

Income Taxes

The Company accounts for income taxes using an asset and liability approach, which requires the recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Deferred income tax assets and liabilities are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates.

Per Share Information

Per share information is based on the weighted-average number of common shares outstanding during each period for the basic computation and, if dilutive, the weighted-average number of potential common shares resulting from the assumed conversion of outstanding stock options, warrants and convertible preferred stock for the diluted computation.

A reconciliation of the numerators and denominators of the basic and diluted per share computations is as follows:

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)		
Net loss	$ (21)	$ (957)	$ (11,942)
Dividends on Senior Convertible Preferred Stock	--	--	(2,199)
Net loss applicable to common stock for basic and diluted computations	$ (21)	$ (957)	$ (14,141)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	3,316	3,503	6,238
Loss per common share--basic and diluted	$ (0.01)	$ (0.27)	$ (2.27)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of December 31, 1997: (i) options to purchase 3,694,375 shares of common stock at exercise prices ranging from $.40 to $7.50 per share; (ii) warrants to purchase 1,314,990 shares of common stock at an exercise price of $7.50 per share; (iii) shares of Senior Convertible Preferred Stock which are convertible into 9,050,060 shares of common stock; and (iv) shares of Series Preferred Stock (see Note 7) which are convertible into 28,888,665 shares of common stock. The inclusion of such potential common shares in the diluted per share computations would be antidilutive since the Company incurred net losses for each of the three years in the period ended December 31, 1997.

Financial Instruments

The carrying amount of cash and cash equivalents approximates fair value for these instruments. The estimated fair value of the 10 5/8% Senior Discount Notes is based on quoted market prices, and the estimated fair value of the Convertible Secured Subordinated Notes is based on the most recent price at which shares of the Company's stock were sold (see Note 5). The estimated fair value of the other long-term debt is determined based on the current rates offered for similar borrowings. The estimated fair value of the interest rate swap agreement is based on the amount that the Company would receive or pay to terminate the agreement at the balance sheet date. The estimated fair values of the Company's financial instruments, along with the carrying amounts of the related assets (liabilities), are as follows:

	DECEMBER 31, 1996		DECEMBER 31, 1997	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	(IN THOUSANDS OF DOLLARS)			
Cash and cash equivalents	$ 7,343	$ 7,343	$ 55,078	$ 55,078
Long-term debt	(22,052)	(25,736)	(156,293)	(161,575)
Interest rate swap agreement	--	--	--	(97)

The Company's interest rate swap agreement is used to manage interest rate risk. The net settlement amount resulting from this agreement is recognized as an adjustment to interest expense. The Company does not hold or issue derivative financial instruments for trading purposes.

Stock Options

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS 123"). SFAS 123 establishes alternative methods of accounting and disclosure for employee stock-based compensation arrangements. The Company has elected to continue the use of the "intrinsic value based method" of accounting for its employee stock option plan (see Note 8). This method does not result in the recognition of compensation expense when employee stock options are granted if the exercise price of the options equals or exceeds the fair market value of the stock at the date of grant. See Note 8 for the disclosures required by SFAS 123.

Recent Accounting Pronouncements

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

In February 1997, the FASB issued Statement of Financial Accounting Standards No. 129, Disclosure of Information about Capital Structure ("SFAS 129"). SFAS 129 establishes standards for disclosing information about a company's outstanding debt and equity securities and eliminates exemptions from such reporting requirements for nonpublic companies. SFAS 129 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 129 in its financial statements for the year ended December 31, 1996.

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

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information ("SFAS 131"). SFAS 131 establishes standards for the way that public companies report, in their annual financial statements, certain information about their operating segments, their products and services, the geographic areas in which they operate and their major customers.

SFAS 131 also requires that certain information about operating segments be reported in interim financial statements. SFAS 131 is effective for periods beginning after December 15, 1997. The Company will adopt the requirements of SFAS 131 in its financial statements for the year ending December 31, 1998.

2. ACQUISITIONS

During the three years in the period ended December 31, 1997, the Company consummated a number of business acquisitions which were accounted for using the purchase method. Results of operations and cash flows of the acquired businesses are included in the consolidated financial statements for the periods subsequent to the respective dates of acquisition.

Pittencrieff Communications, Inc. ("PCI")

From January 9, 1995 through November 1, 1995, the Company acquired 127 telecommunications towers and related assets, net of certain outstanding liabilities, from PCI. The total purchase price of $16,179,000 consisted of $15,122,000 in cash, a note payable to PCI for $762,000 and the assumption of a note payable to a third party for $295,000.

The Company entered into a license agreement with PCI under which PCI leases space on certain of the towers for its telecommunications equipment. This license agreement was assumed by Nextel Communications, Inc. ("Nextel") upon its acquisition of PCI in 1997. The license agreement commenced on January 1, 1995 and expires on December 31, 2008, at which time Nextel has the option to renew the license agreement for an additional three year term.

The Company also entered into a management agreement with PCI under which PCI managed the towers for the Company. The term of this management agreement was for one year commencing on January 1, 1995. The Company paid a management fee to PCI equal to 15% of the revenues generated by the towers. Such management fees amounted to $553,000 for the year ended December 31, 1995. The Company began managing the towers on January 1, 1996.

Spectrum Engineering Company ("Spectrum")

On October 30, 1995, the Company acquired substantially all of the property and equipment of Spectrum for $1,185,000 in cash. Spectrum provides management services for building rooftop antenna sites. The Company recognized goodwill of $870,000 in connection with this acquisition.

Motorola, Inc. ("Motorola")

On June 28, 1996, the Company acquired fifteen telecommunications towers and related assets, and assets related to specialized mobile radio and microwave services, from Motorola in Puerto Rico. The purchase price consisted of $9,919,000 in cash. Motorola provided certain management services related to these assets for a period of ninety days after the closing date. Management fees for such services amounted to $57,000 for the year ended December 31, 1996.

Other Acquisitions

During 1995 and 1996, the Company acquired a number of other telecommunications towers and related equipment from various sellers. The aggregate total purchase price for these acquisitions of $1,476,000 consisted of $1,211,000 in cash and a $265,000 payable to a seller.

TEA Group Incorporated and TeleStructures, Inc. (collectively, "TEA")

On May 12, 1997, the Company acquired all of the common stock of TEA. TEA provides telecommunications site selection, acquisition, design and development services. The purchase price of

$14,215,000 consisted of $8,120,000 in cash (of which $2,001,000 was paid in 1996 as an option payment), promissory notes payable to the former stockholders of TEA totaling $1,872,000, the assumption of $1,973,000 in outstanding debt and 535,710 shares of the Company's Class B Common Stock valued at $2,250,000 (the estimated fair value of such common stock on that date). The Company recognized goodwill of $9,568,000 in connection with this acquisition. The Company repaid the promissory notes with a portion of the proceeds from the issuance of its 10 5/8% Senior Discount Notes (see Note 5).

Crown Communications ("CCM"), Crown Network Systems, Inc. ("CNS") and Crown Mobile Systems, Inc. ("CMS") (collectively, "Crown")

On July 11, 1997, the Company entered into an asset purchase and merger agreement with the owners of Crown. On August 15, 1997, such agreement was amended and restated, and the Company acquired (i) substantially all of the assets, net of outstanding liabilities, of CCM and (ii) all of the outstanding common stock of CNS and CMS. Crown provides network services, which includes site selection and acquisition, antenna installation, site development and construction, network design and site maintenance, and owns and operates telecommunications towers and related assets. The purchase price of $185,021,000 consisted of $27,843,000 in cash, a short-term promissory note payable to the former owners of Crown for $76,230,000, the assumption of $26,009,000 in outstanding debt and 7,325,000 shares of the Company's Class B Common Stock valued at $54,939,000 (the estimated fair value of such common stock on that date). The Company recognized goodwill and other intangible assets of $146,103,000 in connection with this acquisition. The Company financed the cash portion of the purchase price with proceeds from the issuance of redeemable preferred stock (see Note 7), and repaid the promissory note with proceeds from the issuance of additional redeemable preferred stock and borrowings under the Senior Credit Facility (see Note 5).

In 1997, the Company organized Crown Communication Inc. ("CCI," a Delaware corporation) as a wholly owned subsidiary to own the net assets acquired from CCM and the common stock of CNS and CMS. In January 1998, the Company merged CTC with and into CCI, establishing CCI as the principal operating subsidiary of the Company.

Pro Forma Results of Operations (Unaudited)

The following unaudited pro forma summary presents consolidated results of operations for the Company as if (i) the Motorola and other acquisitions had been consummated on January 1, 1996 and (ii) the TEA and Crown acquisitions and the investment in Castle Transmission Services (Holdings) Ltd ("CTI") had been consummated as of January 1 for both 1996 and 1997. Appropriate adjustments have been reflected for depreciation and amortization, interest expense, amortization of deferred financing costs, income taxes and certain nonrecurring income and expenses recorded by the Company in connection with the investment in CTI (see Note 4). The pro forma information does not necessarily reflect the actual results that would have been achieved, nor is it necessarily indicative of future consolidated results for the Company.

	YEARS ENDED DECEMBER 31, 1996	YEARS ENDED DECEMBER 31, 1997
	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)	
Net revenues	$ 45,480	$ 56,851
Net loss	(14,475)	(16,082)
Loss per common share--basic and diluted	(4.13)	(1.47)

Agreement with Nextel

On July 11, 1997, the Company entered into an agreement with Nextel (the "Nextel Agreement") whereby the Company has the option to purchase up to 50 of Nextel's existing towers which are located in Texas, Florida and the metropolitan areas of Denver, Colorado and Philadelphia, Pennsylvania. As of February 20, 1998, the Company had purchased 36 of such towers for an aggregate price of $8,383,000 in cash. In addition, the Nextel Agreement provides the Company with the option to construct or purchase up to 250 new towers for Nextel in various geographic corridors.

3. PROPERTY AND EQUIPMENT

The major classes of property and equipment are as follows:

	ESTIMATED USEFUL LIVES	DECEMBER 31, 1996	DECEMBER 31, 1997
		(IN THOUSANDS OF DOLLARS)	
Land		$ 125	$ 1,053
Telecommunications towers	5-20 years	24,295	72,834
Transportation and other equipment	5-10 years	--	4,379
Telecommunications equipment	20 years	3,690	4,013
Office furniture and equipment	5-7 years	612	4,541
		28,722	86,820
Less: accumulated depreciation		(1,969)	(4,852)
		$ 26,753	$ 81,968

Depreciation expense for the years ended December 31, 1996 and 1997 was $1,151,000 and $2,886,000, respectively. Accumulated depreciation on telecommunications towers and related equipment was $1,820,000 and $3,850,000 at December 31, 1996 and 1997, respectively. At December 31, 1997, minimum rentals receivable under existing operating leases for towers are as follows: years ending December 31, 1998--$15,307,000; 1999--$13,614,000; 2000--$12,270,000; 2001--$10,108,000; 2002--$3,442,000; thereafter--$3,195,000.

4. INVESTMENTS IN AFFILIATES

Investment in Castle Transmission Services (Holdings) Ltd ("CTI")

On February 28, 1997, the Company used a portion of the net proceeds from the sale of the Series C Convertible Preferred Stock (see Note 7) to purchase an ownership interest of approximately 34.3% in CTI (a company incorporated under the laws of England and Wales). The Company led a consortium of investors which provided the equity financing for CTI. The funds invested by the consortium were used by CTI to purchase, through a wholly owned subsidiary, the domestic broadcast transmission division of the British Broadcasting Corporation (the "BBC"). The cost of the Company's investment in CTI amounted to approximately $57,542,000. The Company accounts for its investment in CTI utilizing the equity method of accounting.

In March 1997, as compensation for leading the investment consortium, the Company received a fee from CTI amounting to approximately $1,165,000. This fee was recorded as other income by the Company when received. In addition, the Company received approximately $1,679,000 from CTI as reimbursement for costs incurred prior to the closing of the purchase from the BBC. At December 31, 1996, approximately $953,000 of such reimbursable costs are included in other receivables on the Company's consolidated balance sheet.

The Company receives a monthly service fee from CTI of approximately $33,000 as compensation for certain management services. This fee is included in network services and other revenues on the Company's consolidated statement of operations.

CTI uses the British pound as the functional currency for its operations. The Company translates its equity in the earnings and losses of CTI using the average exchange rate for the period, and translates its investment in CTI using the exchange rate at the end of the period. The cumulative effect of changes in the exchange rate is recorded as a translation adjustment in stockholders' equity.

In June 1997, as compensation for the successful completion of the investment in CTI and certain other acquisitions and investments, the Company paid bonuses to two of its executive officers totaling $913,000. These bonuses are included in corporate development expenses on the Company's consolidated statement of operations.

Summarized financial information for CTI is as follows:

	DECEMBER 31, 1997 (IN THOUSANDS OF DOLLARS)
Current assets	$ 37,510
Property and equipment, net	341,737
Goodwill, net	76,029
	$455,276
Current liabilities	$ 48,103
Long-term debt	237,299
Other liabilities	3,453
Redeemable preferred stock	174,944
Stockholders' equity (deficit)	(8,523)
	$455,276

	TEN MONTHS ENDED DECEMBER 31, 1997 (IN THOUSANDS OF DOLLARS)
Net revenues	$103,531
Operating expenses	86,999
Operating income	16,532
Interest income	553
Interest expense and amortization of deferred financing costs	(20,404)
Provision for income taxes	--
Net loss	$ (3,319)

Investment in Visual Intelligence Systems, Inc. ("VISI")

On June 23, 1997, the Company made an investment in VISI of $2,000,000 (of which $100,000 was paid in 1996). VISI intends to provide computerized geographic information for a variety of business applications, including the acquisition and design of telecommunications sites. The Company's investment was made in the form of 15,000 shares of VISI's common stock at a price of $2.00 per share, along with a Convertible Subordinated Note for $1,970,000 (the "VISI Note"). The VISI Note is convertible (at the option of the Company) into shares of VISI's common stock at a conversion price of $2.00 per share, bears interest at 7.11% per year and is due on May 31, 2007. The 15,000 shares of common stock purchased by the Company represent an ownership interest of approximately 1.14% in VISI. The Company accounts for its investment in VISI's common stock utilizing the cost method of accounting.

5. LONG-TERM DEBT

Long-term debt consists of the following:

	DECEMBER 31, 1996	DECEMBER 31, 1997
	(IN THOUSANDS OF DOLLARS)	
Senior Credit Facility	$ --	$ 4,700
Bank Credit Agreement:		
Revolving Credit Facility	15,700	--
Term Note	2,300	--
10 5/8% Senior Discount Notes due 2007, net of discount	--	151,593
Promissory Note payable to PCI	632	--
Convertible Secured Subordinated Notes payable to stockholder	3,125	--
Other	295	--
	22,052	156,293
Less: current maturities	(140)	--
	$21,912	$156,293

Bank Credit Agreement and Senior Credit Facility

On April 26, 1995, CTC entered into a credit agreement with a bank (as amended, the "Bank Credit Agreement"). The Bank Credit Agreement consisted of secured revolving lines of credit (the "Revolving Credit Facility") and a $2,300,000 term note (the "Term Note"). On January 17, 1997, the Bank Credit Agreement was amended to: (i) increase the available borrowings under the Revolving Credit Facility to $50,000,000; (ii) repay the Term Note, along with accrued interest thereon, with borrowings under the Revolving Credit Facility; and (iii) extend the termination date for the Bank Credit Agreement to December 31, 2003. Available borrowings under the Revolving Credit Facility were generally to be used to construct new towers and to finance a portion of the purchase price for towers and related assets. The amount of available borrowings was determined based on the current financial performance (as defined) of: (i) the assets to be acquired; and (ii) assets acquired in previous acquisitions. In addition, up to $5,000,000 of borrowing availability under the Revolving Credit Facility could be used for letters of credit.

In October 1997, the Bank Credit Agreement was amended to (i) increase the available borrowings to $100,000,000; (ii) include the lending bank under Crown's bank credit agreement as a participating lender; and (iii) extend the maturity date to December 31, 2004 (as amended, the "Senior Credit Facility"). On October 31, 1997, additional borrowings under the Senior Credit Facility, along with the proceeds from the October issuance of Senior Preferred Stock (see Note 7), were used to repay (i) the promissory note payable to the former stockholders of Crown and (ii) the outstanding borrowings under Crown's bank credit agreement (see Note 2). The Company repaid all of the outstanding borrowings under the Senior Credit Facility with a portion of the proceeds from the issuance of its 10 5/8% Senior Discount Notes (as discussed below). As of December 31, 1997, approximately $93,600,000 of borrowings was available under the Senior Credit Facility, of which $5,000,000 was available for letters of credit. There were no letters of credit outstanding as of December 31, 1997. Upon the merger of CTC into CCI in January 1998, CCI became the primary borrower under the Senior Credit Facility.

The amount of available borrowings under the Senior Credit Facility will decrease by $5,000,000 at the end of each calendar quarter beginning on March 31, 2001 until December 31, 2004, at which time any remaining borrowings must be repaid. Under certain circumstances, CCI may be required to make principal prepayments under the Senior Credit Facility in an amount equal to 50% of excess cash flow (as defined), the net cash proceeds from certain asset sales or the net cash proceeds from certain sales of equity or debt securities by the Company.

The Senior Credit Facility is secured by substantially all of the assets of the Company's subsidiaries and the Company's pledge of the capital stock of its subsidiaries. In addition, the Senior Credit Facility is guaranteed by the Company. As of December 31, 1997, borrowings under the Senior Credit Facility bear interest at a rate per annum, at the Company's election, equal to the bank's prime rate plus 1.5% or a Eurodollar interbank offered rate (LIBOR) plus 3.25% (10.0% and 8.98%, respectively, at December 31, 1997). The interest rate margins may be reduced by up to 2.25% (non-cumulatively) based on a financial test, determined quarterly. As of December 31, 1997, the financial test permitted a reduction of 1.5% in the interest rate margin for prime rate borrowings and 2.25% in the interest rate margin for LIBOR borrowings. Interest on prime rate loans is due quarterly, while interest on LIBOR loans is due at the end of the period (from one to three months) for which such LIBOR rate is in effect. The Senior Credit Facility requires CCI to maintain certain financial covenants and places restrictions on CCI's ability to, among other things, incur debt and liens, pay dividends, make capital expenditures, dispose of assets, undertake transactions with affiliates and make investments.

10 5/8% Senior Discount Notes due 2007 (the "Notes")

On November 25, 1997, the Company issued $251,000,000 aggregate principal amount of the Notes for cash proceeds of $150,010,000 (net of original issue discount). The Company used a portion of the net proceeds from the sale of the Notes to (i) repay all of the outstanding borrowings, including accrued interest thereon, under the Senior Credit Facility; (ii) repay the promissory notes payable, including accrued interest thereon, to the former stockholders of TEA (see Note 2); (iii) repay the Promissory Note payable, including accrued interest thereon, to PCI; and (iv) repay outstanding installment debt assumed in connection with the Crown acquisition (see Note 2).

The Notes will not pay any interest until May 15, 2003, at which time semi-annual interest payments will commence and become due on each May 15 and November 15 thereafter. The maturity date of the Notes is November 15, 2007. The Notes are net of unamortized discount of $99,407,000 at December 31, 1997.

The Notes are redeemable at the option of the Company, in whole or in part, on or after November 15, 2002 at a price of 105.313% of the principal amount plus accrued interest. The redemption price is reduced annually until November 15, 2005, after which time the Notes are redeemable at par. Prior to November 15, 2000, the Company may redeem up to 35% of the aggregate principal amount of the Notes, at a price of 110.625% of the accreted value thereof, with the net cash proceeds from a public offering of the Company's common stock.

The Notes are senior indebtedness of the Company; however, they are unsecured and effectively subordinate to the liabilities of the Company's subsidiaries, which include outstanding borrowings under the Senior Credit Facility. The indenture governing the Notes (the "Indenture") places restrictions on the Company's ability to, among other things, pay dividends and make capital distributions, make investments, incur additional debt and liens, issue additional preferred stock, dispose of assets and undertake transactions with affiliates. As of December 31, 1997, the Company was precluded from paying dividends on its capital stock under the terms of the Indenture.

Reporting Requirements Under the Indenture (Unaudited)

As of December 31, 1997, the Company does not have any Unrestricted Subsidiaries (as defined in the Indenture). The following information (as such capitalized terms are defined in the Indenture) is presented solely for the purpose of measuring compliance with respect to the terms of the Indenture; such information is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, the Company's measure of the following information may not be comparable to similarly titled measures of other companies.

	(IN THOUSANDS OF DOLLARS)
Tower Cash Flow, for the three months ended December 31, 1997	$ 3,118
Consolidated Cash Flow, for the twelve months ended December 31, 1997	$ 13,150
Less: Tower Cash Flow, for the twelve months ended December 31, 1997	(10,625)
Plus: four times Tower Cash Flow, for the three months ended December 31, 1997	12,472
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 1997	$ 14,997

Promissory Note Payable to PCI

This note bore interest at a rate of 8% per annum, called for equal annual payments of principal and interest and was secured by the tower sites purchased from PCI. The Company repaid this note with a portion of the proceeds from the issuance of its 10 5/8% Senior Discount Notes (as discussed above).

Convertible Secured Subordinated Notes Payable to Stockholder

These notes accrued interest at a rate of 8% per annum, payable at maturity, and were secured by substantially all of CTC's assets. The notes provided that the holder had the option, at any time, to convert such notes, in whole or in part, into shares of the Company's Series A Convertible Preferred Stock at a conversion price of $6.00 per share. On April 27, 1995, a portion of the notes with aggregate principal balances of $743,000 was converted into 123,742 shares of the Company's stock and the related accrued interest was paid to the holder. On February 24, 1997, the remaining $3,125,000 principal amount of the notes was converted into 520,878 shares of the Company's stock and, by mutual agreement with the holder, the related accrued interest was forfeited. Upon conversion of the notes, the principal amount and the forfeited interest were accounted for as increases to redeemable preferred stock and additional paid-in capital, respectively.

Restricted Net Assets of Subsidiaries

Under the terms of the Senior Credit Facility, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. The amount of such dividends is limited to (i) $6,000,000 per year until October 31, 2002, and $33,000,000 per year thereafter, and (ii) an amount to pay income taxes attributable to the Company's subsidiaries. The restricted net assets of the Company's subsidiaries totaled $232,229,000 at December 31, 1997.

Interest Rate Swap Agreement

The interest rate swap agreement has an outstanding notional amount of $17,925,000 at January 29, 1997 (inception) and terminates on February 24, 1999. The Company pays a fixed rate of 6.28% on the notional amount and receives a floating rate based on LIBOR. This agreement effectively changes the interest rate on $17,925,000 of borrowings under the Senior Credit Facility from a floating rate to a fixed rate of 6.28% plus the applicable margin. The Company does not believe there is any significant exposure to credit risk due to the creditworthiness of the counterparty. In the event of nonperformance by the counterparty, the Company's loss would be limited to any unfavorable interest rate differential.

6. INCOME TAXES

The provision for income taxes consists of the following:

	YEARS ENDED DECEMBER 31, 1995	1996	1997
	(IN THOUSANDS OF DOLLARS)		
Current:			
Puerto Rico	$ --	$ 10	$ 49

A reconciliation between the provision for income taxes and the amount computed by applying the federal statutory income tax rate to the loss before income taxes is as follows:

	YEARS ENDED DECEMBER 31, 1995	1996	1997
	(IN THOUSANDS OF DOLLARS)		
Benefit for income taxes at statutory rate	$ (7)	$ (322)	$(4,044)
Amortization of intangible assets	--	--	478
Puerto Rico taxes	--	10	49
Expenses for which no federal tax benefit was recognized	5	5	28
Changes in valuation allowances	2	315	3,650
Other	--	2	(112)
	$ --	$ 10	$ 49

The components of the net deferred income tax assets and liabilities are as follows:

	DECEMBER 31, 1996	1997
	(IN THOUSANDS OF DOLLARS)	
Deferred income tax liabilities:		
Property and equipment	$ 1,307	$ 2,487
Intangible assets	49	276
Puerto Rico earnings	--	75
Other	--	38
Total deferred income tax liabilities	1,356	2,876
Deferred income tax assets:		
Net operating loss carryforwards	1,639	6,800
Noncompete agreement	19	37
Receivables allowance	15	6
Valuation allowances	(317)	(3,967)
Total deferred income tax assets, net	1,356	2,876
Net deferred income tax liabilities	$ --	$ --

Valuation allowances of $317,000 and $3,967,000 were recognized to offset net deferred income tax assets as of December 31, 1996 and 1997, respectively.

At December 31, 1997, the Company has net operating loss carryforwards of approximately $20,000,000 which are available to offset future federal taxable income. These loss carryforwards will expire in 2010 through 2012. The utilization of the loss carryforwards is subject to certain limitations.

7. REDEEMABLE PREFERRED STOCK

In August 1997, the Company issued 292,995 shares of its Senior Convertible Preferred Stock (the "Senior Preferred Stock") at a price of $100 per share. The net proceeds received by the Company from the sale of such shares amounted to approximately $29,266,000, most of which was used to pay the cash portion of the purchase price for Crown (see Note 2). In October 1997, the Company issued an additional 364,500 shares of its Senior Preferred Stock at a price of $100 per share. The net proceeds received by the Company from the sale of such shares amounted to $36,450,000. This amount, along with borrowings under the Senior Credit Facility, was used to repay the promissory note from the Crown acquisition (see Note 2).

The holders of the Senior Preferred Stock are entitled to receive cumulative dividends at the rate of 12.5% per share, compounded annually. At December 31, 1997, such accrued and unpaid dividends amounted to $2,199,000. Any payment of such dividends would be in the form of additional shares of Senior Preferred Stock until such time as the Company is permitted to pay cash dividends on its capital stock under the terms of the Indenture (see Note 5). At the option of the holder, each share of Senior Preferred Stock (plus any accrued and unpaid dividends) is convertible, at any time, into shares of the Company's Class B Common Stock at a conversion price of $7.50 (subject to adjustment in the event of an underwritten public offering of the Company's common stock). At the date of issuance of the Senior Preferred Stock, the Company believes that its conversion price represents the estimated fair value of the Class B Common Stock on that date. The holders of the Senior Preferred Stock are entitled to vote together with the holders of the Company's other preferred stock on an as-converted basis.

The Company has the one-time right, within one year from the date of issuance, to redeem 50% of the outstanding shares of Senior Preferred Stock at a price per share which represents an annualized cumulative rate of return of 18%. If not earlier converted or redeemed, the shares of Senior Preferred Stock are subject to mandatory redemption by the Company, at a price per share of $100 plus any accrued and unpaid dividends through that date, upon the earlier of (i) 91 days after the tenth anniversary date of the issuance of the Notes; or (ii) May 15, 2008. The Senior Preferred Stock also calls for a preference, in the event of a liquidation or a change in voting control, equal to a price per share which represents an annualized cumulative rate of return of 18%. With respect to dividend, redemption and liquidation preferences, the rights of the holders of the Senior Preferred Stock are senior to the Company's other preferred and common stock.

The purchasers of the Senior Preferred Stock were also issued warrants to purchase an aggregate 1,314,990 shares of the Company's Class B Common Stock at an exercise price of $7.50 per share (subject to adjustment in the event of an underwritten public offering of the Company's common stock). The warrants are exercisable, in whole or in part, at any time until August and October of 2007. At the date of issuance of the warrants, the Company believes that the exercise price represents the estimated fair value of the Class B Common Stock on that date. As such, the Company has not assigned any value to the warrants in its consolidated financial statements.

The holders of the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock"), the Series B Convertible Preferred Stock (the "Series B Preferred Stock") and the Series C Convertible Preferred Stock (the "Series C Preferred Stock") (collectively, the "Series Preferred Stock") are generally entitled to one vote per share on all matters presented to a vote of the Company's stockholders. The holders of the Series Preferred Stock are also entitled to receive dividends, if and when declared, at the same rate as dividends are declared and paid with respect to the Company's common stock. At the option of the holder, each share of Series Preferred Stock is convertible, at any time, into five shares of the Company's Class B Common Stock. Each of the outstanding shares of Series Preferred Stock will automatically convert into five shares of Class B Common Stock in the event of an underwritten public offering of the Company's common stock, subject to certain conditions.

Upon the earlier of (i) 91 days after the tenth anniversary date of the issuance of the Notes; or (ii) May 15, 2008, the outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock are redeemable, at the option of the holder, at a price per share of $6.00, $12.00 and $21.00, respectively, plus any accrued and unpaid dividends through the date of redemption. The Series Preferred Stock also call for liquidation preferences equal to such respective redemption prices. With respect to redemption and liquidation preferences, the rights of the holders of the Series C Preferred Stock and the Series B Preferred Stock are senior to the Series A Preferred Stock and the common stock, and the rights of the holders of the Series A Preferred Stock are senior to the common stock.

In February and April of 1997, the Company issued 3,529,832 shares of its Series C Preferred Stock at a price of $21.00 per share. The net proceeds received by the Company from the sale of the Series C Preferred Stock amounted to approximately $74,024,000. A portion of this amount was used to purchase the ownership interest in CTI (see Note 4).

8. STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

At the option of the holder, each share of the Company's Class A Common Stock is convertible, at any time, into 1.52315 shares of the Company's Class B Common Stock. The holders of the Class B Common Stock are entitled to one vote per share on all matters presented to a vote of the Company's stockholders, and the holders of the Class A Common Stock are entitled to a number of votes equivalent to the number of shares of Class B Common Stock into which their shares of Class A Common Stock are convertible. The holders of the Class A Common Stock are also entitled to receive dividends, if and when declared, on an equivalent basis with the holders of the Class B Common Stock. In the event of an underwritten public offering of its common stock which results in the conversion of the Preferred Stock (see Note 7), the Company may, at its option, require that all outstanding shares of Class A Common Stock be converted into Class B Common Stock.

In March 1997, the Company repurchased, and subsequently retired, 814,790 shares of its common stock from a member of the Company's Board of Directors at a cost of approximately $3,422,000. Of this amount, $1,311,000 was recorded as compensation cost and is included in corporate development expense on the Company's consolidated statement of operations.

Stock Options

In 1995, the Company adopted the Crown Castle International Corp. 1995 Stock Option Plan (as amended, the "1995 Stock Option Plan"). Up to 5,765,000 shares of the Company's Class B Common Stock are reserved for awards granted to certain employees, consultants and non-employee directors of the Company and its subsidiaries or affiliates. These options generally vest over periods of up to five years from the date of grant (as determined by the Company's Board of Directors) and have a maximum term of ten years from the date of grant. A summary of awards granted under the 1995 Stock Option Plan is as follows for the years ended December 31, 1995, 1996 and 1997:

	1995		1996		1997	
	NUMBER OF SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
Options outstanding at beginning of year	--	--	825,000	$ .53	1,050,000	.89
Options granted	825,000	$.53	225,000	2.22	3,042,500	5.46
Options exercised	--	--	--	--	(363,125)	.53
Options forfeited	--	--	--	--	(35,000)	1.20
Options outstanding at end of year	825,000	.53	1,050,000	.89	3,694,375	4.69
Options exercisable at end of year	--	--	721,250	$ .43	728,875	2.49

In November 1996, options which were granted in 1995 for the purchase of 690,000 shares were modified such that those options became fully vested. A summary of options outstanding as of December 31, 1997 is as follows:

EXERCISE PRICE	NUMBER OF OPTIONS OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF OPTIONS EXERCISABLE
$ .40	345,000	8.0 years	345,000
1.20	93,750	7.9 years	38,750
1.60	50,000	8.4 years	12,500
2.40	175,000	8.8 years	43,750
4.20	1,718,125	9.5 years	126,375
6.00	325,000	9.8 years	162,500
7.50	987,500	9.9 years	--
	3,694,375	9.4 years	728,875

The weighted-average fair value of options granted during the years ended December 31, 1995, 1996 and 1997 was $0.09, $0.50 and $1.30, respectively. The fair value of each option was estimated on the date of grant using the Black-Scholes option-pricing model and the following weighted-average assumptions about the options (the minimum value method):

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
Risk-free interest rate	5.3%	6.4%	6.1%
Expected life	3.2 years	4.0 years	4.5 years
Expected volatility	0%	0%	0%
Expected dividend yield	0%	0%	0%

The exercise prices for options granted during the years ended December 31, 1995, 1996 and 1997 were equal to or in excess of the estimated fair value of the Company's Class B Common Stock at the date of grant. As such, no compensation cost was recognized for stock options during those years (see Note 1). If compensation cost had been recognized for stock options based on their fair value at the date of grant, the Company's pro forma net loss for the years ended December 31, 1995, 1996 and 1997 would have been $33,000 ($0.01 per share), $973,000 ($0.28 per share) and $12,586,000 ($2.37 per share), respectively. The pro forma effect of stock options on the Company's net loss for those years may not be representative of the pro forma effect for future years due to the impact of vesting and potential future awards.

Shares Reserved For Issuance

At December 31, 1997, the Company had the following shares reserved for future issuance:

Class B Common Stock:	
Senior Preferred Stock	9,050,060
Series A Preferred Stock	6,916,665
Series B Preferred Stock	4,322,840
Series C Preferred Stock	17,649,160
Class A Common Stock	1,586,460
1995 Stock Option Plan	5,765,000
Warrants	1,314,990
	46,605,175

9. EMPLOYEE BENEFIT PLANS

The Company and its subsidiaries have various defined contribution savings plans covering substantially all employees. Depending on the plan, employees may elect to contribute up to 15% or 20% of their eligible compensation. Certain of the plans provide for partial matching of such contributions. The cost to the Company for these plans amounted to $98,000 for the year ended December 31, 1997.

10. RELATED PARTY TRANSACTIONS

The Company leases office space in a building formerly owned by its Chief Executive Officer. Lease payments for such office space amounted to $22,000, $50,000 and $130,000 for the years ended December 31, 1995, 1996 and 1997, respectively.

Included in other receivables at December 31, 1997 are amounts due from employees of the Company totaling $499,000.

11. COMMITMENTS AND CONTINGENCIES

At December 31, 1997, minimum rental commitments under operating leases are as follows: years ending December 31, 1998--$2,634,000; 1999--$2,483,000; 2000--$2,021,000; 2001--$1,791,000; 2002--$1,131,000; thereafter--$17,228,000. Rental expense for operating leases was $208,000, $277,000 and $1,712,000 for the years ended December 31, 1995, 1996 and 1997, respectively.

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position or results of operations.

12. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and trade receivables. The Company mitigates its risk with respect to cash and cash equivalents by maintaining such deposits at high credit quality financial institutions and monitoring the credit ratings of those institutions.

The Company derives the largest portion of its revenues from customers in the wireless telecommunications industry. In addition, the Company has concentrations of operations in certain geographic areas (primarily Pennsylvania, Texas, New Mexico, Arizona and Puerto Rico). The Company mitigates its concentrations of credit risk with respect to trade receivables by actively monitoring the creditworthiness of its customers. Historically, the Company has not incurred any significant credit related losses.

For the years ended December 31, 1995, 1996 and 1997, the Company's revenues from PCI and Nextel amounted to $2,566,000, $2,634,000 and $5,998,000, respectively.

13. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Summary quarterly financial information for the years ended December 31, 1996 and 1997 is as follows:

	THREE MONTHS ENDED			
	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)			
1996:				
Net revenues	$ 1,221	$1,238	$ 1,846	$ 1,902
Operating income	306	71	196	90
Net loss	(32)	(280)	(243)	(402)
Loss per common share--basic and diluted	(0.01)	(0.08)	(0.07)	(0.11)
1997:				
Net revenues	$ 1,994	$4,771	$11,481	$13,159
Operating income (loss)	(1,293)	(921)	61	(1,299)
Net loss	(443)	(1,706)	(4,001)	(5,792)
Loss per common share--basic and diluted	(0.13)	(0.51)	(0.62)	(0.69)

14. SUBSEQUENT EVENTS (UNAUDITED)

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of CTI pursuant to which certain of CTI's shareholders have agreed to exchange their shares of CTI for shares of the Company. Upon the consummation of the exchange, the Company's ownership of CTI will increase from approximately 34.3% to approximately 80%. Consummation of the share exchange is subject to a number of significant conditions, including certain third party consents and the consummation of an initial public offering of common stock by the Company.

In connection with the share exchange, the Company intends to offer shares of its common stock in an underwritten initial public offering during the summer of 1998. On June 19, 1998, a registration statement in respect of such initial public offering was filed with the Securities and Exchange Commission (as amended, the "Registration Statement") and any securities offered in such initial public offering will only be offered by means of a prospectus forming a part of such Registration Statement.

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

During the period from April 24, 1998 through July 15, 1998, the Company granted options to employees and executives for the purchase of 3,236,980 shares of its common stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares will vest upon consummation of the initial public offering and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, the Company has assigned its right to repurchase shares of its common stock from a stockholder (at a price of $6.26 per share) to two individuals (including an expected director nominee) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the share exchange agreement with CTI's shareholders and at prices substantially below the expected price to the public in the initial public offering, the Company will record a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the initial public offering. Such compensation charge will total approximately $35.1 million, of which approximately $20.2 million will be recognized upon consummation of the initial public offering (for such options and shares which vest upon consummation of the initial public offering), and the remaining $14.9 million will be recognized over five years (approximately $3.0 million per year) through the second quarter of 2003.

INDEPENDENT AUDITORS' REPORT

The Owners of Crown Communications,
Crown Network Systems, Inc.,
Crown Mobile Systems, Inc., Airport
Communications, Inc. and E-90, Ltd.:

We have audited the accompanying combined statements of income and cash flows of Crown Communications, Crown Network Systems, Inc., Crown Mobile Systems, Inc., Airport Communications, Inc. and E-90, Ltd. (collectively, Crown Communications) for the years ended December 31, 1995 and 1996 and for the seven month period ended July 31, 1997. These combined financial statements are the responsibility of Crown Communications' management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined results of operations and cash flows of Crown Communications for the years ended December 31, 1995 and 1996 and for the seven month period ended July 31, 1997 in conformity with generally accepted accounting principles.

KPMG Peat Marwick llp

Pittsburgh, Pennsylvania
March 23, 1998

CROWN COMMUNICATIONS

COMBINED STATEMENT OF INCOME

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31, 1995	YEARS ENDED DECEMBER 31, 1996	SEVEN MONTHS ENDED JULY 31, 1997
Net revenues:			
Site rental	$ 3,632	$ 5,120	$ 4,550
Network services and other	7,384	14,260	13,137
	11,016	19,380	17,687
Operating costs and expenses:			
Site rental	763	1,691	1,421
Network services and other	3,944	8,632	5,841
General and administrative expenses	2,625	3,150	3,761
Depreciation and amortization	568	1,168	1,006
	7,900	14,641	12,029
Operating income	3,116	4,739	5,658
Other income (expense):			
Interest and other income (expense)	19	(53)	(26)
Interest expense	(785)	(1,175)	(925)
Net income	$ 2,350	$ 3,511	$ 4,707

See accompanying notes to combined financial statements.

CROWN COMMUNICATIONS

COMBINED STATEMENT OF CASH FLOWS

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31, 1995	YEARS ENDED DECEMBER 31, 1996	SEVEN MONTHS ENDED JULY 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 2,350	$ 3,511	$ 4,707
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	568	1,168	1,006
Gain on sale of equipment	(71)	--	--
Changes in operating assets and liabilities:			
Accounts receivable	205	(1,594)	(1,612)
Inventory	(173)	73	(527)
Prepaid expenses and other current assets	(22)	(117)	(13)
Accrued network services	--	(653)	653
Deferred installation costs	356	(154)	154
Other assets	(20)	(36)	(78)
Accounts payable	149	1,195	419
Accrued expenses	216	508	(350)
Customer deposits	43	(2)	106
Deferred revenue	(627)	263	734
Net cash provided by operating activities	2,974	4,162	5,199
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(5,670)	(8,658)	(12,425)
Proceeds from sale of equipment	--	6	--
Net cash used for investing activities	(5,670)	(8,652)	(12,425)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of notes payable	14,929	22,614	9,256
Principal payments on notes payable	(11,689)	(15,808)	(706)
Distributions to owners	(873)	(2,809)	(1,532)
Capital contribution	--	103	--
Net cash provided by financing activities	2,367	4,100	7,018
NET DECREASE IN CASH AND CASH EQUIVALENTS	(329)	(390)	(208)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,093	764	374
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 764	$ 374	$ 166
Supplemental disclosure of cash flow information--interest paid	$ 764	$ 1,175	$ 775

See accompanying notes to combined financial statements.

CROWN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS

(IN THOUSANDS OF DOLLARS)

(1)BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying combined financial statements include the accounts of Crown Communications (CCM), a sole proprietorship, Crown Network Systems, Inc. (CNS), a subchapter S corporation, Crown Mobile Systems, Inc. (CMS), a subchapter S corporation, Airport Communications, Inc. (ACI), a subchapter S corporation and E-90, Ltd. (E-90), a Pennsylvania Business Trust (collectively, Crown Communications or the Company). These entities are all under common ownership. All significant intercompany accounts and transactions have been eliminated.

Crown Communications is a communication site development and management company. The Company's core business is the development of high density communication facilities. The majority of these facilities are located throughout western Pennsylvania. The Company leases antenna and transmitter space on communication towers to companies using or providing wireless telephone, paging and specialized mobile radio services.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(b) Cash and Cash Equivalents

The Company considers cash in depository institutions and short-term investments with original maturities of three months or less to be cash and cash equivalents.

(c) Inventory

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

(d) Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation on property and equipment is computed utilizing methods which approximate the straight-line method over the estimated useful lives of the assets. Additions, renewals and improvements are capitalized, while maintenance and repairs are expensed. Upon the sale or retirement of an asset, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

In March 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("SFAS 121"). SFAS 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS 121 is effective for fiscal years beginning after December 15, 1995. The adoption of SFAS 121 by the Company in 1996 did not have a material impact on its combined financial statements.

(e) Other Assets

Other assets include deferred financing costs which are amortized over the estimated term of the related borrowing.

(f) Revenue Recognition

Equipment sales revenues are recognized when products are delivered to customers.

Site rental revenue is recognized ratably over the terms of the respective leases. Such leases have terms that are generally five years.

Network services revenues are recognized under a method which approximates the completed contract method. This method is used because typical network services are completed in 3 months or less and financial position and results of operations do not vary significantly from those which would result from use of the percentage-of-completion method. The network services are considered complete at the point in time in which the terms and conditions of the contract and/or agreement have been substantially completed. Revenues from completed contracts which have not been billed at the end of an accounting period are presented as accrued network services.

Costs and revenues associated with installations not complete at the end of an accounting period are deferred and recognized when the installation becomes operational. Any losses on contracts are recognized at such time as they become known.

(2) INCOME TAXES

CCM is operated as a sole proprietorship and all income or loss is passed through to the personal tax return of the owners. The shareholders for CNS, CMS and ACI have elected under subchapter S of the Internal Revenue Code to pass through all income or loss to the individual tax return of the shareholders. E-90 is operated as a Pennsylvania Business Trust and has elected to be taxed as a partnership. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

(3) RETIREMENT SAVINGS PLAN

The Company sponsors a Retirement Savings Plan (the "Plan"), which qualifies for treatment under section 401(k) of the Internal Revenue Code. Substantially all full-time employees are eligible to participate by electing to contribute 1% to 15% of their gross pay to the Plan. Under the Plan, the Company matches a portion of each employee's contribution up to certain limits. Each employee's contribution is fully vested when contributed, and the Company's matching contribution begins vesting after an employee has completed two years of service and becomes fully vested after six years of service. For the years ended December 31, 1995 and 1996, and the seven months ended July 31, 1997, the Company's expense for the Plan was $6, $59 and $44, respectively.

(IN THOUSANDS OF DOLLARS)

(4) COMMITMENTS AND CONTINGENCIES

The Company leases land, office space and site space on towers and rooftops through contracts that expire in various years through 2095. The Company has purchase and renewal options and is committed to various escalation provisions under certain of these leases. Rental expense under operating leases was $306, $669 and $718 for the years ended December 31, 1995 and 1996, and the seven months ended July 31, 1997, respectively. At July 31, 1997, minimum rental commitments under operating leases are as follows:

YEARS ENDING DECEMBER 31,	
1997	$ 659
1998	1,800
1999	1,700
2000	1,500
2001	1,300
Thereafter	17,200
	$24,159

The Company is involved in various claims and legal actions arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's combined financial position or results of operations.

(5) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. The Company mitigates its risk with respect to cash and cash equivalents by maintaining such deposits at high credit quality financial institutions and monitoring the credit ratings of those institutions.

The Company derives the largest portion of its revenues from customers in the wireless telecommunications industry. In addition, the Company has concentrations of operations in western Pennsylvania. The Company mitigates its concentrations of credit risk with respect to accounts receivable by actively monitoring the creditworthiness of its customers. Historically, the Company has not incurred any significant credit related losses.

For the year ended December 31, 1995, the Company recognized revenues from two individual customers in the amount of $4,139 and $668. For the year ended December 31, 1996, the Company recognized revenues from three individual customers in the amount of $3,700, $2,600 and $1,400. For the seven months ended July 31, 1997, the Company recognized revenues from three individual customers in the amount of $4,784, $4,246 and $2,377.

(6) SUBSEQUENT EVENTS

In July 1997, the owners of CCM, CNS and CMS entered into an asset purchase and merger agreement with Crown Castle International Corp. ("CCIC"). In August 1997, such agreement was amended and restated, and CCIC acquired (i) substantially all of the assets, net of outstanding liabilities, of CCM and (ii) all of the outstanding common stock of CNS and CMS.

REPORT OF INDEPENDENT AUDITORS

Board of Directors
TEA Group Incorporated

We have audited the balance sheet of TEA Group Incorporated as of December 31, 1995, and the related statements of income, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEA Group Incorporated as of December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Ernst & Young LLP

Atlanta, Georgia
February 28, 1996

INDEPENDENT AUDITORS' REPORT

The Board of Directors
TEA Group Incorporated:

We have audited the accompanying balance sheet of TEA Group Incorporated as of December 31, 1996, and the related statements of income, shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEA Group Incorporated as of December 31, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Atlanta, Georgia
August 15, 1997

TEA GROUP INCORPORATED

BALANCE SHEET

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31, 1995	DECEMBER 31, 1996
ASSETS		
Current assets:		
Cash	$ 5	$ --
Accounts receivable, net of allowance for doubtful accounts of $100 and $1 at December 31, 1995 and 1996, respectively (note 5):		
Billed	4,637	3,553
Unbilled	1,335	465
Employee advances	--	14
Note and accrued interest receivable--related party	58	6
Prepaid expenses	24	3
Total current assets	6,059	4,041
Property and equipment, at cost:		
Leasehold improvements	9	9
Office and computer equipment	757	831
Furniture and fixtures	343	345
Computer software	--	85
	1,109	1,270
Less accumulated depreciation and amortization	(653)	(787)
	456	483
Other assets	62	47
	$6,577	$4,571
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable (note 2)	$2,733	$ 107
Accounts payable	1,328	1,366
Accrued compensation and related benefits	557	445
Other accrued expenses	--	52
Total current liabilities	4,618	1,970
Commitments (note 3)		
Shareholders equity (note 7):		
Common stock, $1 par value, 10,000 shares authorized; 550 shares issued and outstanding	1	1
Additional paid-in capital	11	11
Retained earnings	1,947	2,589
Total shareholders equity	1,959	2,601
	$6,577	$4,571

See accompanying notes to financial statements.

TEA GROUP INCORPORATED

STATEMENT OF INCOME

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1995	1996	1996	1997
			(UNAUDITED)	
Network services and other revenues, net (note 6)	$23,585	$18,010	$4,376	$4,873
Operating costs and expenses:				
Services and other (exclusive of depreciation and amortization)	18,770	14,406	3,280	4,048
General and administrative expenses	4,077	2,295	529	482
Depreciation and amortization	127	134	31	38
	22,974	16,835	3,840	4,568
Operating income	611	1,175	536	305
Other income (expense):				
Interest and other income	17	3	--	--
Interest expense	(158)	(127)	(47)	(5)
Income before income taxes	470	1,051	489	300
Income taxes (note 1(d))	--	--	--	--
Net income	$ 470	$ 1,051	$ 489	$ 300

See accompanying notes to financial statements.

TEA GROUP INCORPORATED

STATEMENT OF SHAREHOLDERS' EQUITY

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	COMMON STOCK		ADDITIONAL PAID-IN	RETAINED	TOTAL SHAREHOLDERS'
	SHARES	AMOUNTS	CAPITAL	EARNINGS	EQUITY
Balance at January 1, 1995	550	$ 1	$11	$2,359	$2,371
Net income	--	--	--	470	470
Shareholder distributions	--	--	--	(882)	(882)
Balance at December 31, 1995	550	1	11	1,947	1,959
Net income	--	--	--	1,051	1,051
Shareholder distributions	--	--	--	(409)	(409)
Balance at December 31, 1996	550	$ 1	$11	$2,589	$2,601

See accompanying notes to financial statements.

TEA GROUP INCORPORATED

STATEMENT OF CASH FLOWS

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31, 1995	YEARS ENDED DECEMBER 31, 1996	THREE MONTHS ENDED MARCH 31, 1996 (UNAUDITED)	THREE MONTHS ENDED MARCH 31, 1997 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 470	$1,051	$ 489	$ 300
Adjustment to reconcile net income to net cash provided by (used for) operating activities:				
Depreciation and amortization	127	134	31	38
Provision for doubtful accounts (note 6)	--	355	125	--
Gain on sale of property and equipment, and other assets	(12)	(1)	(1)	--
Decrease (increase) in:				
Billed accounts receivable	(1,714)	729	(103)	(735)
Unbilled accounts receivable	(336)	870	1,439	119
Other assets	(25)	29	(15)	(73)
Increase (decrease) in:				
Accounts payable	381	37	(1,219)	(925)
Accrued expenses	142	(59)	(101)	37
Net cash provided by (used for) operating activities	(967)	3,145	645	(1,239)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(250)	(161)	(29)	(23)
Proceeds from sale of property and equipment, and other assets	25	1	1	--
Increase in deposits	16	--	--	--
Payments received on note receivable	--	45	8	--
Net cash used for investing activities	(209)	(115)	(20)	(23)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net borrowings (repayments) under revolving credit agreement	2,057	(2,626)	276	1,262
Shareholder distributions	(882)	(409)	--	--
Net cash provided by (used for) financing activities	1,175	(3,035)	276	1,262
Net increase (decrease) in cash	(1)	(5)	901	--
CASH AT BEGINNING OF PERIOD	6	5	5	--
CASH AT END OF PERIOD	$ 5	$ --	$ 906	$ --
Supplemental disclosure of cash flow information--cash paid during the period for interest	$ 149	$ 138	$ 47	$ --

See accompanying notes to financial statements.

TEA GROUP INCORPORATED

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS OF DOLLARS)

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

TEA Group Incorporated (the "Company") provides services to the wireless telecommunications and energy transmission industries. These services include providing right-of-way, site acquisition, engineering design and drafting, project management, and staff leasing to wireless telecommunications and energy transmission companies in the United States and internationally.

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and revenues and expenses for the reporting period to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

The financial statements for the three months ended March 31, 1996 and 1997 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 results of operations and cash flows for the three months ended March 31, 1996 and 1997. 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.

(b) Revenue Recognition

The Company's revenues are derived primarily from service contracts with customers which provide for billings on a time and materials, cost plus profit, or fixed price basis. Such contracts typically have terms from six months to two years. Revenues are recognized as services are performed with respect to the time and materials priced contracts, and are recognized using the percentage-of-completion method for cost plus profit and fixed price contracts, measured by the percentage of contract costs incurred to date to estimated total contract costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

(c) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining lease term. Property and equipment are depreciated over the following estimated useful lives:

	YEARS
Leasehold improvements	5
Office and computer equipment	5
Furniture and fixtures	7
Computer software	5

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, on January 1, 1996. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement did not have an impact on the Company's financial statements.

(IN THOUSANDS OF DOLLARS)

(d) Income Taxes

The shareholders of the Company have elected to be taxed under the Subchapter S Corporation provisions of the Internal Revenue Code. As a result of this election, Federal and state income taxes related to the results of operations of the Company are passed through to, and are the responsibility of, the Company's shareholders. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

(e) Fair Value of Financial Instruments

The carrying value of the notes payable approximates the estimated fair value for this instrument since it bears interest at a floating market rate. The estimated fair values of the Company's financial instruments, along with the carrying amounts of the related assets (liabilities), are as follows:

	DECEMBER 31, 1995		DECEMBER 31, 1996	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Cash	$ 5	$ 5	$ --	$ --
Notes payable	(2,733)	(2,733)	(107)	(107)

(2) NOTES PAYABLE

The Company has a revolving line of credit with a bank for working capital purposes (as amended, the "Bank Line of Credit"). The Bank Line of Credit provides for up to $5,000 of working capital borrowings and up to $200 of borrowings for purchases of equipment. At December 31, 1996, outstanding working capital borrowings under the Bank Line of Credit amounted to $107. Borrowings are secured by the Company's receivables, property and equipment, intangibles and cash balances, and bear interest at a rate per annum equal to (i) the bank's prime rate or (ii) a Eurodollar interbank offered rate (LIBOR) plus 2.45% (8.25% and 7.95%, respectively, at December 31, 1996). Interest is payable monthly. The Bank Line of Credit requires the Company to maintain certain financial covenants and places limitations on its ability to, among other things, incur debt and liens, undertake transactions with affiliates and make investments.

On July 30, 1997, the Bank Line of Credit was amended to decrease the available borrowings to $3,000 and extend the maturity date to June 30, 1998. Borrowings now bear interest at a rate per annum equal to LIBOR plus 2.7% (8.39% at July 31, 1997). In addition, the amended Bank Line of Credit now restricts the ability of the Company to pay dividends.

(IN THOUSANDS OF DOLLARS)

(3) COMMITMENTS

The Company has noncancelable operating leases for office space. Future minimum lease payments under the operating leases with remaining terms of one year or more at December 31, 1996 are summarized as follows:

YEARS ENDING DECEMBER 31,	
1997	$316
1998	315
1999	289
2000	43
	$963

Rent expense under all cancelable and noncancelable operating leases for 1995 and 1996 was $459 and $608, respectively.

(4)EMPLOYEE BENEFIT PLAN

The Company maintains a 401(k) profit sharing and retirement plan (the "Plan") for the benefit of all eligible employees. Employees may elect to contribute up to 15% of their eligible compensation to the Plan. The Plan provides for employer matching contributions at the discretion of the Company's Board of Directors. The Company provided $66 and $29 in expense for contributions for 1995 and 1996, respectively.

(5)RELATED PARTY TRANSACTIONS

Accounts receivable balances at December 31, 1995 and 1996 include approximately $398 and $94, respectively, from an affiliated company related to expenses incurred by the Company on behalf of the affiliated company.

(6) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and trade receivables. The Company mitigates its risk with respect to cash by maintaining such deposits at high credit quality financial institutions and monitoring the credit ratings of those institutions.

The Company derives the largest portion of its revenues from customers in the wireless telecommunications and energy transmission industries. The Company mitigates its concentrations of credit risk with respect to trade receivables by actively monitoring the creditworthiness of its customers. In connection with a disputed receivable with a customer, the Company wrote off $310 during 1996.

For the year ended December 31, 1995, the Company had five customers representing 19%, 18%, 16%, 13% and 11% of net revenues, respectively. For the year ended December 31, 1996, the Company had two customers which accounted for 35% and 14% of net revenues, respectively, and one customer which accounted for approximately 59% of accounts receivable at December 31, 1996.

(7)SUBSEQUENT EVENT

In July 1996, the Company, its shareholders, and certain affiliated companies entered into an agreement with Crown Castle International Corp. ("CCIC") which provided CCIC with an option to acquire various ownership interests in the Company. On May 12, 1997, CCIC acquired all of the Company's common stock.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND THE BBC HOME SERVICE TRANSMISSION BUSINESS

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
of Castle Transmission Services (Holdings) Ltd:

We have audited the accompanying balance sheet of the BBC Home Service Transmission business ("Home Service") at March 31, 1996 and the consolidated balance sheets of Castle Transmission Services (Holdings) Ltd and its subsidiaries ("Castle Transmission") at March 31, 1997 and December 31, 1997 and the profit and loss accounts, cash flow statements and reconciliations of movements in corporate funding for Home Service for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 and the related consolidated profit and loss accounts, cash flow statements and reconciliations of movements in shareholders' funds for Castle Transmission for the period from February 28, 1997 to March 31, 1997 and the period from April 1, 1997 to December 31, 1997. These financial statements are the responsibility of Castle Transmission's and Home Service's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United Kingdom, which do not differ in any material respect from generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Home Service at March 31, 1996 and the consolidated financial position of Castle Transmission at March 31, 1997 and December 31, 1997 and the results of operations and cash flows of Home Service for the year ended March 31, 1996 and for the period from April 1, 1996 to February 27, 1997 and of Castle Transmission for the period from February 28, 1997 to March 31, 1997 and for the period from April 1, 1997 to December 31, 1997 in conformity with generally accepted accounting principles in the United Kingdom.

Generally accepted accounting principles in the United Kingdom vary in certain respects from generally accepted accounting principles in the United States. Application of generally accepted accounting principles in the United States would have affected results of operations for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 for Home Service and the period from February 28, 1997 to March 31, 1997 and from April 1, 1997 to December 31, 1997 for Castle Transmission and shareholders' equity at March 31, 1996 for Home Service and at March 31, 1997 and December 31, 1997 for Castle Transmission to the extent summarised in Note 27 to these financial statements.

KPMG
Chartered Accountants
Registered Auditor
London, England

March 31, 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

	NOTE	BBC HOME SERVICE TRANSMISSION: YEAR ENDED MARCH 31, 1996	BBC HOME SERVICE TRANSMISSION: PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	BBC HOME SERVICE TRANSMISSION: TWO MONTHS ENDED FEBRUARY 27, 1997	CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD: PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD: THREE MONTHS ENDED JUNE 30, 1997	CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD: PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD: SIX MONTHS ENDED JUNE 30, 1998
		(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)
Turnover...............	3	70,367	70,614	12,805	6,433	18,611	56,752	43,516
Changes in stocks and work in progress......		(635)	(554)	(150)	340	(898)	747	(90)
Own work capitalised...		4,653	3,249	308	170	417	1,127	1,427
Raw materials and consumables...........		14	(1,155)	(387)	(446)	319	(2,410)	(1,148)
Other external charges...............		(34,750)	(26,191)	(4,130)	(1,668)	(4,780)	(13,811)	(10,973)
Staff costs............	4	(17,197)	(16,131)	(3,104)	(1,421)	(4,514)	(14,345)	(12,285)
Depreciation and other amounts written off tangible and intangible assets.....	5	(12,835)	(13,038)	(2,464)	(1,819)	(5,533)	(16,854)	(11,688)
Other operating charges...............		(1,832)	(2,792)	(181)	(344)	(853)	(2,430)	(2,054)
		(62,582)	(56,612)	(10,108)	(5,188)	(15,842)	(47,976)	(36,811)
Operating profit.......		7,785	14,002	2,697	1,245	2,769	8,776	6,705
Other interest receivable and similar income................		--	--	--	49	119	288	348
Interest payable and similar charges.......	7	--	--	--	(969)	(5,400)	(12,419)	(7,063)
Profit/(loss) on ordinary activities before and after taxation..............	3-6, 8	7,785	14,002	2,697	325	(2,512)	(3,355)	(10)
Additional finance cost of non-equity shares..		--	--	--	(318)	(954)	(2,862)	(1,974)
Retained profit/(loss) for the period........		7,785	14,002	2,697	7	(3,466)	(6,217)	(1,984)

Neither BBC Home Service nor Castle Transmission have any recognised gains or losses other than those reflected in the profit and loss accounts.

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED BALANCE SHEETS

	NOTE	BBC HOME SERVICE TRANSMISSION	CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD		
		AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997	AT JUNE 30, 1998
		(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
FIXED ASSETS					
Intangible	9	--	46,573	46,056	44,804
Tangible	10	202,592	206,162	206,134	218,781
		202,592	252,735	252,190	263,585
CURRENT ASSETS					
Stocks	11	1,750	807	1,340	1,993
Debtors	12	4,714	10,344	13,230	11,578
Cash at bank and in hand		--	9,688	8,152	9,467
		6,464	20,839	22,722	23,038
Creditors: amounts falling due within one year	13	(6,627)	(14,820)	(29,139)	(33,199)
Net current assets/(liabilities)		(163)	6,019	(6,417)	(10,161)
Total assets less current liabilities		202,429	258,754	245,773	253,424
Creditors: amounts falling due after more than one year	14	--	(154,358)	(143,748)	(149,249)
Provisions for liabilities and charges	15	--	(1,723)	(2,157)	(2,382)
Net assets		202,429	102,673	99,868	101,793
CAPITAL AND RESERVES					
Corporate funding		202,429	--	--	--
Called up share capital	16	--	102,348	102,898	102,898
Profit and loss account	17	--	325	(3,030)	(1,105)
		202,429	102,673	99,868	101,793
SHAREHOLDERS' FUNDS/(DEFICIT)					
Equity			109	(6,107)	(6,156)
Non-equity			102,564	105,975	107,949
			102,673	99,868	101,793

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED CASH FLOW STATEMENTS

		BBC HOME SERVICE TRANSMISSION			CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD			
	NOTE	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
		(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)
Cash inflow from operating activities..........	21	24,311	26,427	5,161	5,756	9,234	27,983	29,720
Returns on investment and servicing of finance............	22	--	--	--	(885)	(2,065)	(2,428)	(10,426)
Capital expenditure and financial investments.........	22	(17,190)	(20,092)	(711)	(748)	(3,906)	(14,361)	(22,522)
Acquisitions and disposals...........	22	--	--	--	(251,141)	(208)	(307)	--
Cash inflow/(outflow)....		7,121	6,335	4,450	(247,018)	3,055	10,887	(3,228)
Financing............	22							
Net (decrease) in corporate funding...		(7,121)	(6,335)	(4,450)	--	--	--	--
Issuance of shares...		--	--	--	102,348	--	550	--
Increase/(decrease) in debt............		--	--	--	154,358	(6,792)	(12,973)	5,000
Capital element of finance lease rentals.......		--	--	--	--	--	--	(457)
		(7,121)	(6,335)	(4,450)	256,706	(6,792)	(12,423)	4,543
Increase/(decrease) in cash.............		--	--	--	9,688	(3,737)	(1,536)	1,315
Reconciliation of net cash flow to movement in net debt................	23							
Increase/(decrease) in cash in the period.............		--	--	--	9,688	(3,737)	(1,536)	1,315
Cash (inflow)/outflow from (increase)/decrease in debt............		--	--	--	(154,358)	8,782	12,973	(4,543)
Change in net debt resulting from cash flow................		--	--	--	(144,670)	5,045	11,437	(3,228)
New finance leases...		--	--	--	--	--	(711)	(557)
Amortisation of bank loan issue costs....		--	--	--	--	(1,990)	(2,087)	(119)
Amortisation of Guaranteed Bonds....		--	--	--	--	--	(55)	(133)
Movement in net debt in the period.......		--	--	--	(144,670)	3,055	8,584	(4,037)
Net debt at beginning of the period.......		--	--	--	--	(144,670)	(144,670)	(136,086)
Net debt at end of the period..........		--	--	--	(144,670)	(141,615)	(136,086)	(140,123)

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN CORPORATE FUNDING/SHAREHOLDERS' FUNDS

	BBC HOME SERVICE TRANSMISSION			CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD			
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)
Profit/(loss) for the period	7,785	14,002	2,697	325	(2,512)	(3,355)	(10)
Net (decrease) in corporate funding	(7,121)	(6,335)	(4,450)	--	--	--	--
New share capital subscribed	--	--	--	102,348	--	550	--
Charge on share option arrangements	--	--	--	--	--	--	1,935
Net additions/(deductions) to corporate funding/shareholders' funds	664	7,667	(1,753)	102,673	(2,512)	(2,805)	1,925
Opening corporate funding/shareholders' funds	201,765	202,429	211,849	--	102,673	102,673	99,868
Closing corporate funding/shareholders' funds	202,429	210,096	210,096	102,673	100,161	99,868	101,793

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

As used in the financial statements and related notes, the terms "Castle Transmission" or "the Group" refers to the operations of Castle Transmission Services (Holdings) Ltd and its subsidiaries, Castle Transmission International Ltd ("CTI") which is the successor business and Castle Transmission (Finance) plc ("CTF"). The term "Home Service" refers to the operations of the Home Service Transmission business of the British Broadcasting Corporation ("BBC") which was the predecessor business.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") applicable in the United Kingdom (UK) and comply with the financial reporting standards of the Institute of Chartered Accountants in England and Wales. A summary of the differences between UK GAAP and United States (US) GAAP as applicable to Castle Transmission is set out in Note 27.

Castle Transmission Services (Holdings) Ltd (the "Company") was incorporated on August 27, 1996 and did not trade in the period to February 27, 1997. CTI was incorporated by the BBC on May 9, 1996 and did not trade in the period to February 27, 1997. On February 27, 1997, the assets and liabilities of Home Service were transferred to CTI. On February 28, 1997 CTI was acquired by the Company. During the period between August 27, 1996 and February 27, 1997 Castle Transmission did not trade and received no income and incurred no expenditure. Accordingly the first consolidated profit and loss account for Castle Transmission represents the trading of Castle Transmission for the period from February 28, 1997 to March 31, 1997. CTF was incorporated April 9, 1997.

The financial statements for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 represent the profit and loss accounts, balance sheet, cash flow statements and reconciliations of movements in corporate funding of Home Service. They have been prepared from the separate financial records and management accounts of Home Service.

Home Service was charged a management fee by the BBC representing an allocation of certain costs including pension, information technology, occupancy and other administration costs which were incurred centrally by the BBC but which were directly attributable to Home Service. Management believes such allocation is reasonable. Such costs are based on the pension arrangement and the cost structure of the BBC and are not necessarily representative of such costs of Castle Transmission under separate ownership.

Home Service did not incur any costs in relation to financing as necessary funding was provided from the BBC through the corporate funding account. No interest is charged by the BBC on such funds because there is no debt at BBC which is attributable to Home Service.

Home Service was not a separate legal entity and therefore was not directly subject to taxation on its results. The BBC is a not-for-profit organisation and is not subject to taxation except to the extent of activities undertaken with the objective of making a profit, including all external activities (principally site sharing and commercial projects). The tax charge attributable to Home Service has been calculated as if Home Service were under separate ownership since April 1, 1994 and as if all of its results of operations were subject to normal taxation.

Redundancy costs were incurred by the BBC which related to Home Service staff. The redundancy costs amounted to (Pounds)1.1m in 1996 and (Pounds)0.6m in the period from April 1, 1996 to February 27, 1997. The redundancy programmes were controlled by the BBC and the costs were not recharged to Home Service. No adjustment has been made in the Home Service financial statements for these costs because any costs incurred would have been reflected in the cost base of Home Service, and as described in note 25 would have been off-set by an increase in turnover from the BBC.

The consolidated financial statements for the two months ended February 27, 1997, for the three months ended June 30, 1997 and as of and for the six months ended June 30, 1998 are unaudited; however, in the opinion of all the directors, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been made. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. Operating results for the six month period ended June 30, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of Home Service and the consolidated financial statements of Castle Transmission.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to March 31, 1997 and December 31, 1997 after elimination of all significant inter-company accounts and transactions. The acquisition method of accounting has been adopted. Under this method, the results of subsidiaries acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill

Purchased goodwill on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised over 20 years, the period over which the Directors consider that the Group will derive economic benefits.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land and buildings

	HOME SERVICE	CASTLE TRANSMISSION
Freehold and long leasehold buildings...	50 years	50 years
Freehold and long leasehold improvements................................	20 years	20 years
Short leasehold land and buildings......	Unexpired term	Unexpired term
No depreciation is provided on freehold land..................................		

Plant and equipment

	HOME SERVICE	CASTLE TRANSMISSION
Transmitters and power plant..............	25 years	20 years
Electric and mechanical infrastructure.....	10-20 years	10-20 years
Other plant and machinery.................	3-10 years	3-10 years
Computer equipment........................	5 years	5 years
Motor vehicles............................	--	3 years

Strategic spares, which comprise those spares that are vital to the operation of the transmission system, are included in the capitalised value of the asset to which they relate and are depreciated over the life of the asset.

Assets under construction are included within fixed assets. The associated labour costs are capitalised using a predetermined labour rate, and any over or under recoveries are recognised in the profit and loss account in the period in which they arise.

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities, to the extent that they are denominated in foreign currency, are retranslated at the rate of exchange ruling at the balance sheet date and gains or losses are included in the profit and loss account.

Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its useful life or term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The pension costs charged in the period include costs incurred, at the agreed employer's contribution rate. See note 20 for further details.

Stocks

Stocks held are general maintenance spares and manufacturing stocks. Stocks are stated at the lower of weighted average cost and net realisable value.

Work in progress

For individual projects, the fees on account and project costs are recorded in work in progress. When a project is complete, the project balances are transferred to turnover and cost of sales as appropriate, and the net profit is recognised. Where the payments on account are in excess of project costs, these are recorded as payments on account.

Provision is made for any losses as soon as they are foreseen.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of transmission and maintenance contracts, site sharing arrangements and commercial projects. Revenue is recognised on the basis of contracts or as services are provided to customers.

Issue costs

Costs incurred in raising funds are deducted from the amount raised and amortised over the life of the debt facility on a constant yield basis.

3 ANALYSIS OF TURNOVER

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
BY ACTIVITY				
BBC	45,704	49,903	3,982	35,640
Other--non BBC	24,663	20,711	2,451	21,112
	70,367	70,614	6,433	56,752

4 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including directors) during the period, analysed by category was as follows:

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
Operational staff	381	357	313	289
Project staff	154	125	108	97
Management, finance, personnel and other support services	53	70	69	89
	588	552	490	475

The aggregate payroll costs of these persons were as follows:

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Wages and salaries	15,517	14,579	1,189	12,087
Social security costs	1,159	1,061	76	768
Other pension costs	521	491	156	1,490
	17,197	16,131	1,421	14,345

5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	HOME SERVICE		CASTLE TRANSMISSION	
	YEARS ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING:				
Depreciation and other amounts written off tangible fixed assets:				
Owned	12,835	13,038	1,624	14,953
Leased	--	--	--	147
Goodwill amortisation	--	--	195	1,754
Hire of plant and machinery--rentals payable under operating leases		112	53	79
Hire of other assets--under operating leases		396	36	530

The information in respect of hire of plant and machinery and other assets under operating leases is not available for the year ended March 31, 1996.

6 REMUNERATION OF DIRECTORS

There were no directors of Home Service.

The directors of Castle Transmission received no emoluments for the period February 28, 1997 to March 31, 1997 and (Pounds)277,000 for the period April 1, 1997 to December 31, 1997. The amounts paid to third parties in respect of directors' services were (Pounds)2,000 for the period from February 28, 1997 to March 31, 1997 and (Pounds)23,000 for the period from April 1, 1997 to December 31, 1997.

The aggregate emoluments of the highest paid director were (Pounds)170,000. The highest paid director is not a member of any Group pension scheme.

Pension entitlements

On retirement the directors participating in the Group defined benefit scheme are entitled to 1/60th of their final pensionable salary for each year of service.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
On bank loans and overdrafts	--	--	934	3,315
On all other loans	--	--	--	6,934
Finance charges payable in respect of finance leases and hire purchase contracts	--	--	--	28
Finance charges amortised in respect of bank loans (see note 14)	--	--	35	2,087
Finance charges amortised in respect of the Bonds	--	--	--	55
	--	--	969	12,419

8 TAXATION

Home Service

There is no tax charge in respect of the results of Home Service for the year ended March 31, 1996 or for the period from April 1, 1996 to February 27, 1997. As a separate legal entity subject to normal taxation, Home Service would have capital allowances available as discussed below which would result in taxable losses for all periods. Deferred tax assets have not been recognised on such tax losses as management has concluded that it is not likely that the deferred tax asset would be realised.

Castle Transmission

There is no tax charge in respect of the period from February 28, 1997 to March 31, 1997 and April 1, 1997 to December 31, 1997. Based on an agreement with the Inland Revenue Service, Castle Transmission will have capital allowances available on capital expenditure incurred by Home Service and the BBC prior to the acquisition of approximately (Pounds)179 million. The accelerated tax deductions associated with such capital allowances result in a taxable loss for both periods. Deferred tax assets have not been recognised on such tax losses as management has concluded that it is not likely that the deferred tax asset would be realised based on the limited operating history of Castle Transmission.

9 INTANGIBLE ASSETS

Castle Transmission

	AS AT MARCH 31, 1997 (Pounds)000	AS AT DECEMBER 31, 1997 (Pounds)000
Goodwill		
Cost		
At beginning of period	--	46,768
Arising on acquisition of Home Service	46,768	--
Adjustment to the allocation of fair value arising on acquisition of Home Service (see notes 18 and 24)	--	1,237
At end of the period	46,768	48,005
Amortisation		
At beginning of period	--	195
Charged in period	195	1,754
At end of the period	195	1,949
Net book value		
At end of the period	46,573	46,056

10 TANGIBLE FIXED ASSETS

Home Service

	LAND AND BUILDINGS (Pounds)000	PLANT AND MACHINERY (Pounds)000	COMPUTER EQUIPMENT (Pounds)000	ASSETS UNDER CONSTRUCTION (Pounds)000	TOTAL (Pounds)000
(i) Year ended March 31, 1996					
Cost or valuation					
At April 1, 1995	26,789	178,205	1,337	22,309	228,640
Additions	--	111	40	17,928	18,079
Disposals	--	--	(1,325)	--	(1,325)
Transfers	474	13,354	--	(13,828)	--
At March 31, 1996	27,263	191,670	52	26,409	245,394
Depreciation					
At April 1, 1995	7,291	22,671	441	--	30,403
Charge for period	819	12,008	8	--	12,835
On disposal	--	--	(436)	--	(436)
At March 31, 1996	8,110	34,679	13	--	42,802
Net book value					
At March 31, 1996	19,153	156,991	39	26,409	202,592

	LAND AND BUILDINGS	PLANT AND MACHINERY	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
(ii) Period ended February 27, 1997					
Cost or valuation					
At April 1, 1996........	27,263	191,670	52	26,409	245,394
Additions...............	--	24	179	14,283	14,486
Disposals...............	--	(1,816)	--	(1,718)	(3,534)
Transfers...............	2,585	23,972	252	(26,809)	--
Transfer between business units.........	10,824	(2,061)	(4)	612	9,371
At February 27, 1997....	40,672	211,789	479	12,777	265,717
Depreciation					
At April 1, 1996........	8,110	34,679	13	--	42,802
Charge for period.......	807	12,158	73	--	13,038
On disposal.............	--	(1,816)	--	--	(1,816)
Transfers...............	46	(108)	62	--	--
Transfers between business units.........	2,185	(137)	(1)	--	2,047
At February 27, 1997....	11,148	44,776	147	--	56,071
Net book value					
At February 27, 1997....	29,524	167,013	332	12,777	209,646

The transfers between business units reflect transactions made between the predecessor business and other business units of the BBC, in preparation for the sale of Home Service. These include the transfer of the head office at Warwick into the books of Home Service prior to the sale.

Castle Transmission

	LAND AND BUILDINGS	PLANT AND MACHINERY	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
(i) Period ended March 31, 1997					
Cost					
On acquisition..........	30,373	163,556	332	12,777	207,038
Additions...............	--	56	--	692	748
Transfers...............	17	59	--	(76)	--
At March 31, 1997.......	30,390	163,671	332	13,393	207,786
Depreciation					
On acquisition..........	--	--	--	--	--
Charge for period.......	86	1,529	9	--	1,624
At March 31, 1997.......	86	1,529	9	--	1,624
Net book value					
At March 31, 1997.......	30,304	162,142	323	13,393	206,162
(ii) Period ended December 31, 1997					
Cost					
At April 1, 1997........	30,390	163,671	332	13,393	207,786
Addition................	10	3,602	582	10,878	15,072
Transfers...............	651	12,772	--	(13,423)	--
At December 31, 1997....	31,051	180,045	914	10,848	222,858
Depreciation					
At April 1, 1997........	86	1,529	9	--	1,624
Charge for period.......	847	13,975	278	--	15,100
At December 31, 1997....	933	15,504	287	--	16,724
Net book value					
At December 31, 1997....	30,118	164,541	627	10,848	206,134

The net book value of land and buildings comprises:

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Freehold	16,268	21,558	21,375
Long leasehold	1,540	7,468	7,472
Short leasehold	1,345	1,278	1,271
	19,153	30,304	30,118

Included within fixed assets are the following assets held under finance leases:

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Motor vehicles	--	--	270
Computer equipment	--	--	441
	--	--	711

11 STOCKS

	HOME SERVICE	CASTLE TRANSMISSION		
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997	AT JUNE 30, 1998
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Work in progress (see note 13)	--	--	274	1,159
Spares and manufacturing stocks	1,750	807	1,066	834
	1,750	807	1,340	1,993

12 DEBTORS

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Trade debtors	3,780	7,503	10,250
Other debtors	212	2,259	2,200
Prepayments and accrued income	722	582	780
	4,714	10,344	13,230

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000

Payments on account..............	426	347	--
Obligations under finance leases and hire purchase contracts.....	--	--	490
Trade creditors..................	872	4,123	1,916
Other creditors..................	--	1,519	2,153
Accruals and deferred income.....	5,329	8,831	24,580
	6,627	14,820	29,139

Payments on account (and work in progress) relate to commercial projects and are shown net in the financial statements. The gross billings amount to (Pounds)3,222,000 in 1996, (Pounds)3,836,000 in March 1997 and (Pounds)2,458,000 in December 1997. The related gross costs amounted to (Pounds)2,796,000 in 1996, (Pounds)3,489,000 in March 1997 and (Pounds)2,732,000 in December 1997.

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CASTLE TRANSMISSION		
	AT MARCH 31, 1997	AT DECEMBER 31, 1997	AT JUNE 30, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Guaranteed Bonds	--	120,582	120,715
Bank loans and overdrafts	154,358	22,945	28,064
Obligations under finance leases and hire purchase contracts	--	221	470
	154,358	143,748	149,249
Debts can be analysed as falling due:			
in one year or less, or on demand	--	--	
between one and two years	7,244	59	
between two and five years	29,160	162	
in five years or more	117,954	143,527	
	154,358	143,748	

On May 21, 1997, CTF issued and Castle Transmission guaranteed, (Pounds)125,000,000 9 percent Guaranteed Bonds due 2007 (the "Guaranteed Bonds"). The Guaranteed Bonds are redeemable at their principal amount, unless previously redeemed or purchased and cancelled, on March 30, 2007.

The Guaranteed Bonds may be redeemed in whole but not in part, at the option of CTF, at their principal amount plus accrued interest if, as a result of certain changes in the laws and regulations of the United Kingdom, CTF or Castle Transmission becomes obliged to pay additional amounts.

The Guaranteed Bonds may be redeemed in whole or in part, at the option of CTF, at any time at the higher of their principal amount and such a price as will provide a gross redemption yield 0.50 percent per annum above the gross redemption yield on the benchmark gilt plus (in either case) accrued interest.

Bondholders may, in certain circumstances including but not limited to a change in control of CTF, or the early termination of the agreement between CTI and the BBC relating to the domestic analogue transmission of radio and television programmes by CTI, require the Guaranteed Bonds to be redeemed at 101 percent of their principal amount plus accrued interest.

The Guaranteed Bonds were issued at an issue price of 99.161 percent. The Guaranteed Bonds are shown net of unamortised discount and issue costs. Interest accrues from the date of issue and is payable in arrears on March 30 each year commencing March 30, 1998.

On February 28, 1997 the Group entered into term and revolving loan facilities with a syndicate of banks. There are three facilities. Facility A and Facility B are (Pounds)122,500,000 and (Pounds)35,000,000 term loan facilities. Facility A is repayable in instalments, the last of which is due in June 2004, and Facility B is repayable in two instalments in December 2004 and June 2005. These facilities were made available to finance the amount owed to the BBC on the acquisition of the Home Service transmission business and were drawn down in full on February 28, 1997.

The third facility, Facility C, is a (Pounds)5,000,000 revolving loan facility maturing in June 2005 under which advances are to be made to the Group to finance its working capital requirements and for general corporate purposes. This facility was undrawn at March 31, 1997.

Borrowings under the facilities are secured by fixed and floating charges over substantially all of the assets and undertakings of the Group and bear interest at 2.25 percent above LIBOR for Facility B and between 0.875 percent and 1.75 percent above LIBOR (depending on the annualised debt coverage and the outstanding percentage of the facilities) for Facilities A and C.

The net proceeds of the Guaranteed Bonds were used to repay substantially all of the amounts outstanding under Facilities A, B and C. The remaining balance of Facilities A, B and C was replaced by a (Pounds)64,000,000 revolving loan facility maturing in May 2002 (the "New Facility"), under which advances will be made to CTI to finance its working capital requirements and finance capital expenditures in respect of Digital Terrestrial Television.

Borrowings under the New Facility are secured by fixed and floating charges over substantially all of the assets and undertakings of Castle Transmission and bear interest at LIBOR plus the applicable margin plus cost rate.

Included within bank loans and overdrafts is an amount of (Pounds)3,142,000 at March 31, 1997 and (Pounds)1,055,000 at December 31, 1997 representing finance costs deferred to future accounting periods in accordance with FRS4. As a result of the issuance of the Guaranteed Bonds and the New Facility, the remaining deferred financing costs of (Pounds)1,930,000, relating to Facilities A, B and C were charged to the profit and loss account during the period from April 1, 1997 to December 31, 1997.

15 PROVISION FOR LIABILITIES AND CHARGES

	CASTLE TRANSMISSION	
	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000
On acquisition/at the start of the period	1,723	1,723
Fair value adjustments (see note 24)	--	1,016
Established in the period (see below)	--	417
Utilised in the period	--	(999)
At the end of the period	1,723	2,157

Home Service did not make any provisions for liabilities and charges. On the acquisition by Castle Transmission, a provision was established for costs associated with the split of the BBC transmission business between Home Service and World Service comprising redundancy costs and costs relating to the relocation and reorganisation of shared sites. No payments or additional provisions were made in the one month period and the balance on acquisition and at March 31, 1997 was (Pounds)1,723,000.

As a result of the completion of the fair value exercise this provision was reduced by (Pounds)234,000 and a further provision was made of (Pounds)1,250,000 in respect of a contingent liability for wind loading fees that existed at February 27, 1997. See notes 18 and 24 for further details.

A further provision of (Pounds)417,000, in respect of these wind loading fees, was charged to the profit and loss account during the period from April 1, 1997 to December 31, 1997.

16 SHARE CAPITAL

	AT MARCH 31, 1997 NUMBER OF SHARES	AT DECEMBER 31, 1997 NUMBER OF SHARES	AT MARCH 31, 1997 (Pounds)000	AT DECEMBER 31, 1997 (Pounds)000
Authorised				
Equity: Ordinary Shares of 1 pence each........	11,477,290	11,477,290	115	115
Non-equity: Redeemable Preference Shares of 1 pence each............	11,465,812,710	11,465,812,710	114,658	114,658
	11,477,290,000	11,477,290,000	114,773	114,773
Allotted, called up and fully paid				
Equity: Ordinary Shares of 1 pence each........	10,234,790	10,289,790	102	103
Non-equity: Redeemable Preference Shares of 1 pence each............	10,224,555,210	10,279,500,210	102,246	102,795
	10,234,790,000	10,289,790,000	102,348	102,898

On incorporation the Company had an authorised share capital of 100 Ordinary Shares of (Pounds)1 each of which 1 share was allotted, called up and fully paid.

On January 23, 1997, the 100 issued and unissued Ordinary Shares of (Pounds)1 each were subdivided into Ordinary Shares of 1 pence each and the authorised share capital of the Company was increased to (Pounds)114,772,900 by the creation of 11,467,290 additional Ordinary Shares of 1 pence each and by the creation of 11,465,812,710 Redeemable Preference Shares of 1 pence each.

On February 28, 1997 the Company issued for cash 10,234,690 Ordinary Shares of 1 pence each at par and 10,224,555,210 Redeemable Preference Shares of 1 pence each at par.

On September 19, 1997 a further 55,000 Ordinary Shares of 1 pence each and 54,945,000 Redeemable Preference Shares of 1 pence each were issued at par for cash. These shares were issued to certain members of the management team. Management believes that this sale price reflects the fair value of the shares at that date.

The Redeemable Preference Shares are redeemable on December 31, 2050. The Company may also redeem any number of Redeemable Preference Shares at any time by giving at least two business days' notice in writing to the holders. In addition, the Company shall redeem in full all the Redeemable Preference Shares on or before the earlier or any listing or sale of 87.5 percent or more of the issued share capital. No premium is payable on redemption.

The holders of the Redeemable Preference Shares are entitled to receive a dividend in respect of periods from January 1, 2004 at a rate of 5 percent per annum. Dividends shall accrue on a daily basis and shall, unless the Company is prohibited from paying dividends by the Companies Act 1985 or is not permitted by any financing agreement to which it is a party to pay such dividend, become a debt due from and payable to the holders of the Redeemable Preference Shares on January 1 of each year beginning January 1, 2005.

In accordance with FRS4: Capital Instruments, a finance cost has been calculated to result in a constant rate of return over the period and carrying amount for these Redeemable Preference Shares and has been included in the profit and loss account as an appropriation.

On a winding up of the Company, the holders of the Redeemable Preference Shares would be entitled, in priority to any payment to the holders of the Ordinary Shares, to receive an amount equal to the nominal amount paid up on each Redeemable Preference Share together with all arrears and accruals of the preferential dividend payable thereon, whether or not such dividend has become due and payable.

The holders of the Redeemable Preference Shares have no right to vote at any general meeting of the Company.

At December 31, 1997 two of the shareholders held share warrants which entitled them to a maximum of 772,500 Ordinary Shares and 771,727,500 Redeemable Preference Shares issued at par. These are subject to adjustment in accordance with the conditions set out in the warrant instrument which relate to any reorganisation of the Company's share capital. The rights under the share warrants can be exercised by giving 7 days' notice to the Company. The rights lapse on the earliest of the following dates: the date of a listing of any part of the share capital on the Official List of the London Stock Exchange or any other stock exchange; the date of any sale of 85 percent or more of the issued share capital of the Company; the date on which the Company goes into liquidation; and February 28, 2007.

17 RESERVES

	CASTLE TRANSMISSION	
	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000
Profit and loss account		
At the start of the period	--	325
Retained profit/(loss) for the period	7	(6,217)
Additional finance cost of non-equity shares	318	2,862
At the end of the period	325	(3,030)

18 ACQUISITION

On February 28, 1997 the Company acquired the entire share capital of CTI. CTI had itself acquired the assets and liabilities of Home Service on February 27, 1997, with the intention of CTI's ensuing disposal to the Company.

As the two transactions were enacted for the purpose of the sale and purchase of Home Service, a provisional fair value exercise was performed by CTI on the acquisition of the trade and net assets of Home Service on 27 February 1997, giving rise to acquisition goodwill of (Pounds)39.6 million.

The fair value exercise was only provisional at March 31, 1997 as the elapsed time had not been sufficient to form a final judgement on the fair value adjustments. The fair value exercise has now been finalised and as a result goodwill has been increased by (Pounds)1.2 million. See note 24.

The consideration paid for the acquisition of the shares of CTI by the Company amounted to (Pounds)45 million plus fees of (Pounds)7.5 million. (Pounds)7.2 million had been paid or accrued at March 31, 1997, which gave rise to additional goodwill of (Pounds)7.5 million.

In addition, the BBC was paid (Pounds)199 million by CTI as a repayment of the loan made by the BBC on the transfer of the assets and liabilities of Home Service. The total consideration paid by the Group amounted to (Pounds)244 million (excluding fees), which resulted in total goodwill in the Consolidated Financial Statements of (Pounds)48 million. This goodwill has been capitalised and will be written off over 20 years, the period over which the Directors consider that the Group will derive economic benefits.

19 COMMITMENTS

(a) Capital commitments at the end of the financial period for which no provision has been made, were as follows:

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Contracted........................	4,192	4,785	11,431
Authorised but not contracted.....	7,969	6,490	89,729
	=====	=====	======

(b) Annual commitments under non-cancellable operating leases were as follows:

	CASTLE TRANSMISSION	
	AT DECEMBER 31, 1997	
	LAND AND BUILDINGS	OTHER
	(Pounds)000	(Pounds)000
Operating leases which expire:		
Within one year.....................................	90	159
In the second to fifth years inclusive..............	343	385
Over five years.....................................	235	--
	---	---
	668	544
	===	===

20 PENSION SCHEME

Home Service

Home Service participated in a multi-employer pension scheme operated by the BBC. The scheme is a defined benefit scheme whereby retirement benefits are based on the employees' final remuneration and length of service and is funded through a separate trustee administered scheme. Contributions to the scheme are based on pension costs for all members of the scheme across the BBC and are made in accordance with the recommendations of independent actuaries who value the scheme at regular intervals, usually triennially. Pension scheme assets are not apportioned between different parts of the BBC.

The pension rate charged to Home Service was 4.5 percent for the year ended March 31, 1996 and for the period from April 1, 1996 to February 27, 1997. This charge took into account the surplus shown by the last actuarial valuation of the BBC scheme. Amounts charged were as follows: (Pounds)521,000 in 1996 and (Pounds)491,000 in the period from April 1, 1996 to February 27, 1997.

Castle Transmission

The pension charge is not comparable between Home Service and Castle Transmission due to the former having a reduced charge as a result of the surplus in the BBC Pension scheme.

Under the terms of the sale agreement Castle Transmission was temporarily participating in the BBC Pension scheme until July 31, 1997. From August 1, 1997 the Group was committed under the sale agreement to establish its own pension scheme.

In respect of past service benefits, members were able to choose between transferring past service benefits to the Group scheme or leaving them in the BBC Pension scheme. To the extent that past service benefits were transferred, the BBC Pension scheme made a full transfer payment to the Group scheme calculated in accordance with the actuarial basis as set out in the sale agreement.

The pension charge for the period from February 28, 1997 to March 31, 1997 included in the accounts represented contributions payable to the BBC Pension scheme and amounted to (Pounds)156,000. Contributions are calculated at the employers' contribution rate of 17.7 per cent of pensionable salary. The contribution rate has been determined by a qualified actuary and is specified in the sale agreement.

At August 1, 1997 Castle Transmission established its own pension scheme. This is a defined benefit scheme and assets were transferred from the BBC Pension scheme to the extent that members chose to transfer past benefits. From August 1, the Castle Transmission Pension Scheme will be liable in respect of future pension benefits. The pension charge for the period from April 1, 1997 to December 31, 1997 was (Pounds)1,490,000.

There were no outstanding or prepaid contributions at either the beginning or end of the financial periods.

The Group also established a defined contribution scheme which will have a backdated start date of August 1, 1997. This scheme will be open to employees joining the Group after March 1, 1997. The defined benefit scheme will not be open to these employees. The pensionable charge for the period from April 1, 1997 to December 31, 1997 represents contributions under this scheme amounting to (Pounds)nil.

21 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Operating profit........	7,785	14,002	1,245	8,776
Depreciation and amortisation charge....	12,835	13,038	1,819	16,854
(Increase)/Decrease in stocks.................	(678)	294	(2)	(746)
Decrease/(Increase) in debtors................	2,571	(258)	(5,372)	(2,937)
Increase/(Decrease) in creditors..............	1,798	(649)	8,066	6,036
Cash inflow from operating activities...	24,311	26,427	5,756	27,983

22 ANALYSIS OF CASH FLOWS FOR HEADINGS NOTED IN THE CASH FLOW STATEMENT

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
RETURNS ON INVESTMENT AND SERVICING OF FINANCE				
Interest received.......	--	--	49	242
Interest paid...........	--	--	(934)	(2,670)
Net cash outflow for returns on investment and servicing of finance................	--	--	(885)	(2,428)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS				
Purchase of tangible fixed assets...........	(18,079)	(21,810)	(748)	(14,361)
Proceeds on disposal of tangible fixed assets..	889	1,718	--	--
Net cash outflow for capital expenditure and financial investments..	(17,190)	(20,092)	(748)	(14,361)
ACQUISITIONS AND DISPOSALS				
Purchase of subsidiary undertaking (see note 24)....................	--	--	(52,141)	(307)
Amount paid to BBC on acquisition............	--	--	(199,000)	--
Net cash outflow for acquisition and disposals..............	--	--	(251,141)	(307)
FINANCING				
Issue of shares.........	--	--	102,348	550
Increase/(decrease) in corporate funding......	(7,121)	(6,335)	--	--
Debt due beyond a year:				
Facility A (net of issue costs).................	--	--	120,056	--
Facility B (net of issue costs).................	--	--	34,302	--
Repayment of Facility A and B..................	--	--	--	(157,500)
New Facility............	--	--	--	24,000
Guaranteed Bonds........	--	--	--	120,527
Net cash inflow/(outflow) from financing..............	(7,121)	(6,335)	256,706	(12,423)

23 ANALYSIS OF NET DEBT DUE AFTER ONE YEAR

	AT FEBRUARY 27, 1997	CASHFLOW	OTHER NON-CASH CHANGES	AT MARCH 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Cash at bank and in hand...................	--	9,688	--	9,688
Debt due after 1 year...	--	(154,358)	--	(154,358)
	--	(144,670)	--	(144,670)

	AT MARCH 31, 1997	CASHFLOW	OTHER NON-CASH CHANGES	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Cash at bank and in hand....................	9,688	(1,536)	--	8,152
Finance leases..........	--	--	(711)	(711)
Debt due after 1 year...	(154,358)	12,973	(2,142)	(143,527)
	(144,670)	11,437	(2,853)	(136,086)

24 PURCHASE OF SUBSIDIARY UNDERTAKING

	AT MARCH 31, 1997	FAIR VALUE ADJUSTMENTS	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Net assets acquired:			
Tangible fixed assets	207,038	--	207,038
Stocks	119	134	253
Debtors	4,972	(97)	4,875
Creditors--trade	(6,033)	49	(5,984)
--owed to BBC on acquisition	(199,000)	--	(199,000)
Provisions (see note 15)	(1,723)	(1,016)	(2,739)
Adjusted net assets acquired	5,373	(930)	4,443
Goodwill	46,768	1,237	48,005
Cost of acquisition including related fees	52,141	307	52,448
Satisfied by:			
Cash	52,141	307	52,448

The total consideration paid by Castle Transmission included the assumption and subsequent repayment of (Pounds)199 million paid to the BBC, see note 18.

Fair value adjustments

The fair value adjustments result from the completion of the fair value exercise performed by CTI on the acquisition of Home Service and the under accrual of fees by the Company, in relation to the acquisition of CTI, at March 31, 1997. The (Pounds)1,237,000 increase in goodwill relates predominantly to the provision of (Pounds)1,250,000 in respect of a dispute over wind loading fees. This dispute was an existing contingent liability at the date of acquisition and consequently provision has been made against the fair value of the assets and liabilities of Home Service at February 27, 1998.

25 RELATED PARTY DISCLOSURES

Home Service

Throughout the year ended March, 31 1996 and the period from April 1, 1996 to February 27, 1997, Home Service entered into a number of transactions with other parts of the BBC. Substantially all of these transactions are exempt from the disclosure provisions of FRS 8 "Related Party Disclosures" as they have been undertaken between different parts of the BBC, and are eliminated in the consolidated accounts of the BBC. However, brief details of the nature of these transactions are set out below.

The majority of Home Service's income arises from trading with other parts of the BBC. Prices are set at BBC group level on the basis of cost budgets prepared by Home Service. The aggregate value of such sales in each of the years covered by the combined financial statements is given in Note 3.

Administrative costs include expenses re-charged to Home Service by the BBC. These re-charges related to costs incurred centrally in respect of pension, information technology, occupancy and other administration costs. These charges amounted to (Pounds)5.8 million in 1996 and (Pounds)1.2 million in the period between April 1, 1996 and February 27, 1997. The reduced charge for the period to February 27, 1997 is a result of more functions being carried out by employees of Home Service in preparation for the change to a stand alone entity.

In addition, re-charges were also made for distribution costs relating to telecommunication links between the BBC and the transmitting stations and these were then internally re-charged to other parts of the BBC. The charges amounted to (Pounds)5.6 million in 1996 and (Pounds)6.4 million in the period between April 1, 1996 and February 27, 1997.

Castle Transmission

The Shareholders of Castle Transmission are:

Crown Castle International Corp. ("CCIC", formerly Castle Tower Holding Corp.), Candover Investments plc and funds managed by it ("Candover"), TeleDiffusion de France International S.A ("TdF") and Berkshire Partners LLC and funds managed by it ("Berkshire"). They are considered to be related parties as they are the consortium who own 99 percent of the shares of the Company.

Castle Transmission paid fees to shareholders in respect of expenses incurred during the acquisition and success fees. Castle Transmission also has management agreements with CCIC (for commercial and financial advice and training and consultancy) and TdF (for technical advice and consulting), these agreements run for five years from February 28, 1997. Fees are payable on the basis of an annual fee for agreed services provided to Castle Transmission, together with fees on a commercial arm's length basis for any additional services provided. In addition Castle Transmission has agreed to reimburse shareholders' expenses in relation to attendance at board meetings. The amounts paid and accrued by the Company during the period were as follows:

RELATED PARTY	AMOUNTS EXPENSED	AMOUNTS CAPITALISED	AMOUNTS PAID	TOTAL AMOUNTS PAYABLE AT MARCH 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
CCIC	20	1,763	1,763	20
Candover	1	244	244	1
TdF	--	129	--	129
Berkshire	1	315	316	--
	22	2,451	2,323	150

RELATED PARTY	TOTAL AMOUNTS PAYABLE AT MARCH 31, 1997	AMOUNTS EXPENSED	AMOUNTS CAPITALISED	AMOUNTS PAID	TOTAL AMOUNTS PAYABLE AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
CCIC	20	253	--	246	27
Candover	1	16	--	13	4
TdF	129	--	--	129	--
Berkshire	--	55	--	43	12
	150	324	--	431	43

Ongoing BBC relationship

At the time of the acquisition of Home Service, Castle Transmission entered into a ten year transmission contract with the BBC for the provision of domestic terrestrial analogue television and radio transmission services expiring on March 31, 2007. Thereafter, the contract continues until terminated by twelve months notice by either party on March 31 in any contract year from and including March 31, 2007. It may also be terminated early if certain conditions are met.

The contract provides for charges of approximately (Pounds)46 million to be payable by the BBC to Castle Transmission for the year to March 31, 1998. Castle Transmission's charges for subsequent years of the contract are largely determined by a formula which escalates the majority of the charges by a factor which is 1% below the rate of increase in the Retail Price Index over the previous calendar year. Those elements of the charges which are subject to the escalation formula for the contract year commencing April 1, 1998 amount to approximately (Pounds)46 million.

26 POST BALANCE SHEET EVENTS

On January 23, 1998, the Board of Directors adopted: (i) the All Employee Share Option Scheme; (ii) the Management Share Option Scheme; and (iii) individual share option arrangements for certain directors of the Company.

The All Employee Share Option Scheme provides for an unlimited number of shares to be granted to all employees of the Company. The Board may select any number of individuals to apply for the grant of an option. Not later than thirty days following the date by which an application must be made, the Board may grant to each applicant the number of options specified in his application. These options may be exercised at the earliest of the third anniversary of the date of grant, in the event of a flotation or in the event of a take-over, reconstruction, liquidation or option exchange as set out in the Scheme rules. For options granted under this scheme the option price and the number of shares will not change during the life of the option.

Under the terms of the Management Share Option Scheme and the individual share option arrangements, share options may be granted to employees or directors of the Company as determined by the Board of Directors up to a maximum of 460,000 Ordinary Shares and 459,540,000 Redeemable Preference Shares. Options will vest over periods of up to four years and have a maximum term of up to nine years. For options over 223,333 Ordinary Shares and 223,110,000 Redeemable Preference Shares, the option price and the number of shares will not change during the life of the option. The remaining options are subject to certain performance criteria.

On January 23, 1998 and January 30, 1998 the Company granted options to purchase an aggregate of 460,000 Ordinary Shares and 459,540,000 Redeemable Preference Shares under the terms of the individual share option arrangements and the Management Share Option Scheme, respectively. The weighted average price for such options is 1.16 pence for Ordinary Shares and 1.16 pence for Redeemable Preference Shares. The weighted average vesting period for such options is 1.13 years. Any accounting charge resulting from a difference between the fair value of the rights to the shares at the date of grant and the amount of consideration to be paid for the shares will be charged to the profit and loss account in the year to December 31, 1998 and subsequent years according to the vesting provisions of the arrangements. Where the options are subject to performance criteria, the amount initially recognised will be based on a reasonable expectation of the extent to which these criteria will be met and will be subject to subsequent adjustments as necessary to deal with changes in the probability of performance criteria being met.

Update of post balance sheet events (Unaudited)

On March 23, 1998, the Company granted options to purchase an aggregate of 40,750 Ordinary Shares and 40,709,250 Redeemable Preference Shares under the terms of the All Employee Share Option Scheme. The price for such options is 1.00 pence for both Ordinary Shares and Redeemable Preference Shares. The vesting period for such options is three years.

The accounting charge related to share options included within the unaudited consolidated financial statements for the six months ended June 30, 1998 is (Pounds) 1,935,000.

On April 23, 1998, the Board of Directors adopted share option arrangements for certain individuals. On that same date, the Company granted options to purchase 60,000 Ordinary Shares and 59,940,000 Redeemable Preference Shares under the terms of such share option arrangements. These options will vest over a period of four years and have a maximum term of six years. The weighted average price of such options is 1.75 pence for both Ordinary Shares and Redeemable Preference Shares. The weighted average vesting period for such options is two years.

27 SUMMARY OF DIFFERENCES BETWEEN UNITED KINGDOM AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with UK GAAP, which differ in certain respects from US GAAP. The differences that affect Home Service and Castle Transmission are set out below:

(A) TANGIBLE FIXED ASSETS

During 1993 Home Service revalued upwards its investments in certain identifiable tangible fixed assets. Such upward revaluation is not permissible under US GAAP. Rather, depreciated historical cost must be used in financial statements prepared in accordance with US GAAP.

In the period between April 1, 1996 and February 27, 1997 there were a number of transfers of fixed assets to and from other parts of the BBC as explained in note 10. For US GAAP purposes these transfers have been accounted for under the as-if-pooling-of-interests method for transactions between entities under common control.

(B) DEFERRED TAXATION

Under UK GAAP, deferred taxes are accounted for to the extent that it is considered probable that a liability or asset will crystallise in the foreseeable future. Under US GAAP, deferred taxes are accounted for on all timing differences and a valuation allowance is established in respect of those deferred tax assets where it is more likely than not that some portion will remain unrealised. Deferred tax also arises in relation to the tax effect of other US GAAP adjustments.

(C) PENSIONS

The Group accounts for costs of pensions under the rules set out in the UK accounting standards. US GAAP is more prescriptive in respect of actuarial assumptions and the allocation of costs to accounting periods.

(D) CAPITALISED INTEREST

Under US GAAP, interest incurred during the construction periods of tangible fixed assets is capitalised and depreciated over the life of the assets.

(E) REDEEMABLE PREFERENCE SHARES

Under UK GAAP, preference shares with mandatory redemption features or redeemable at the option of the security holder are classified as a component of total shareholders' funds. US GAAP requires such redeemable preference shares to be classified outside of shareholders' funds.

(F) CASH FLOW STATEMENT

Under US GAAP various items would be reclassified within the consolidated cash flow statement. In particular, interest received, interest paid and taxation would be part of net cash flows from operating activities, and dividends paid would be included within net cash flow from financing. In addition, under US GAAP, acquisitions and disposals would be included as investing activities.

Movements in those current investments which are included under the heading of cash under US GAAP form part of the movements entitled "Management of liquid resources" in the consolidated cash flow statements.

Summary combined statements of cash flows for Castle Transmission prepared in accordance with US GAAP are set out below:

	HOME SERVICE			CASTLE TRANSMISSION			
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)
Net cash provided by operating activities...	24,311	28,146	5,161	4,871	7,169	25,555	19,294
Net cash used by investing activities...	(17,190)	(21,811)	(711)	(52,889)	(4,114)	(14,668)	(22,522)
Net cash (used)/provided by financing activities............	(7,121)	(6,335)	(4,450)	57,706	(6,792)	(12,423)	4,543
Net increase/(decrease) in cash and cash equivalents...........	--	--	--	9,688	(3,737)	(1,536)	1,315
Cash and cash equivalents at beginning of period....	--	--	--	--	9,688	9,688	8,152
Cash and cash equivalents at end of period................	--	--	--	9,688	5,951	8,152	9,467

The following is a summary of the approximate effect on Home Service's and Castle Transmission's net profit and corporate funding/shareholders' funds of the application of US GAAP.

	HOME SERVICE			CASTLE TRANSMISSION			
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	THREE MONTHS ENDED JUNE 30, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000 (UNAUDITED)
Net profit/(loss) as reported in the profit and loss accounts..............	7,785	14,002	2,697	325	(2,512)	(3,355)	(10)
US GAAP adjustments:							
Depreciation adjustment on tangible fixed assets............	3,707	3,993	726	--	--	--	--
Pensions...........	--	--	--	--	--	65	78
Capitalised interest................	--	--	--	78	221	801	846
Net income/(loss) under US GAAP........	11,492	17,995	3,423	403	(2,291)	(2,489)	914
Additional finance cost of non-equity shares..............	--	--	--	(318)	(954)	(2,862)	(1,974)

Net income/(loss) attributable to ordinary shareholders under US GAAP........	11,492	17,995	3,423	85	(3,245)	(5,351)	(1,060)
	======	======	=====	====	======	======	======

	HOME SERVICE	CASTLE TRANSMISSION		
	AT MARCH 31,		AT DECEMBER 31,	AT JUNE 30,
	1996	1997	1997	1998
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Corporate funding/shareholders' funds as reported in the balance sheets	202,429	102,673	99,868	101,793
US GAAP adjustments:				
Depreciation adjustment on tangible fixed assets	(35,945)	--	--	--
Pensions	--	--	65	143
Capitalised interest	--	78	879	1,725
Redeemable preference shares (including additional finance cost of non-equity shares)	--	(102,564)	(105,975)	(107,949)
Corporate funding/shareholders' funds/(deficit) under US GAAP	166,484	187	(5,163)	(4,288)

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR THE U.S. UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR ANY OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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31,250,000 SHARES

[LOGO OF CROWN CASTLE INTERNATIONAL CORP. APPEARS HERE]

CROWN CASTLE INTERNATIONAL CORP.

COMMON STOCK

PROSPECTUS

, 1998

LEHMAN BROTHERS

CREDIT SUISSE FIRST BOSTON

GOLDMAN, SACHS & CO.

SALOMON SMITH BARNEY

+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.+

PROSPECTUS   Subject to Completion, dated August 11, 1998

[LOGO OF CROWN CASTLE INTERNATIONAL CORP. APPEARS HERE]

31,250,000 SHARES
CROWN CASTLE INTERNATIONAL CORP.
COMMON STOCK

Of the 31,250,000 shares of Common Stock, par value $.01 per share (the "Common Stock"), offered hereby, 27,500,000 shares are being sold by Crown Castle International Corp. ("CCIC" or the "Company"), and 3,750,000 shares are being sold by a stockholder of the Company. In addition, the Company and certain stockholders of the Company have granted the U.S. Underwriters an option to purchase shares of Common Stock solely to cover over-allotments, if any. See "Principal and Selling Stockholders". Of the 31,250,000 shares of Common Stock being offered, 6,250,000 shares are being offered initially outside the United States and Canada (the "International Offering") by the International Managers and 25,000,000 shares are being concurrently offered in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters (together with the International Managers, the "Underwriters"). The International Offering and the U.S. Offering, including the application of the net proceeds therefrom, are collectively referred to as the "Offering".

Pursuant to a Share Exchange Agreement dated April 24, 1998, (i) all shareholders of Castle Transmission Services (Holdings) Ltd ("CTSH") (other than the Company, TeleDiffusion de France International S.A. ("TdF") and Digital Future Investments B.V., which is an affiliate of TdF ("DFI")) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock, par value $.01 per share (the "Class A Common Stock"), of the Company. The closing of the Offering is conditioned upon the concurrent consummation of such exchanges and certain other transactions. See "The Roll-Up".

The Company's common stock has been designated into two classes, consisting of Common Stock and Class A Common Stock. Under the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation"), with respect to matters on which the holders of the Company's common stock have the right to vote, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power of the Company, with the holders of the Common Stock and the Class A Common Stock voting together as a single class. However, certain specified actions will require the approval of the holders of a majority of the Class A Common Stock. In addition, the holders of the Class A Common Stock, voting as a separate class, will have the right to elect up to two members of the Company's Board of Directors and will not vote in the election of directors by the holders of the Company's other voting stock entitled to vote in the election of directors. See "The Roll-Up" and "Description of Capital Stock".

Prior to the Offering, there has been no public market for the Common Stock. It is currently estimated that the initial public offering price per share will be between $17.00 and $19.00. For information relating to the factors that will be considered in determining the initial public offering price, see "Underwriting". The Common Stock has been approved for listing on the Nasdaq Stock Market's National Market ("NNM") under the symbol "TWRS".

SEE "RISK FACTORS" BEGINNING ON PAGE 17 HEREIN FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)	Proceeds to Selling Stockholders
Per Share.....................	$	$	$	$

Total(3)......................	$	$	$	$

(1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".
(2) Before deducting expenses payable by the Company estimated to be $.

(3) The Company and certain Selling Stockholders have granted the U.S. Underwriters a 30-day option to purchase up to an aggregate of 4,687,500 additional shares of Common Stock on the same terms and conditions as set forth herein, solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions, Proceeds to Company and Proceeds to Selling Stockholders will be , , and , respectively. See "Underwriting".

The shares of Common Stock offered by this Prospectus are offered by the International Managers subject to prior sale, to withdrawal, cancellation, or modification of the offer without notice, to delivery to and acceptance by the International Managers and to certain further conditions. It is expected that delivery of the shares will be made at the offices of Lehman Brothers Inc., New York, New York, on or about , 1998.

LEHMAN BROTHERS
CREDIT SUISSE FIRST BOSTON
GOLDMAN SACHS INTERNATIONAL
SALOMON SMITH BARNEY

, 1998

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR THE INTERNATIONAL MANAGERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR ANY OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

TABLE OF CONTENTS

31,250,000 SHARES

[LOGO OF CROWN CASTLE INTERNATIONAL CORP. APPEARS HERE]

CROWN CASTLE INTERNATIONAL CORP.

COMMON STOCK

PROSPECTUS

, 1998

LEHMAN BROTHERS

CREDIT SUISSE FIRST BOSTON

GOLDMAN SACHS INTERNATIONAL

SALOMON SMITH BARNEY

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Set forth below is a table of the registration fee for the Securities and Exchange Commission, the filing fee for the National Association of Securities Dealers, Inc., the listing fee for the Nasdaq Stock Market and estimates of all other expenses to be incurred in connection with the issuance and distribution of the securities described in the Registration Statement, other than underwriting discounts and commissions:

SEC registration fee	$ 201,430
NASD filing fee	30,500
Nasdaq listing fee	95,000
Printing and engraving expenses	700,000
Legal fees and expenses	1,150,000
Accounting fees and expenses	250,000
Transfer agent and registrar fees	6,000
Miscellaneous	67,070
Total	$2,500,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware ("DGCL") provides that a corporation has the power to indemnify any director or officer, or former director or officer, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) against the expenses (including attorney's fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by them in connection with the defense of any action by reason of being or having been directors or officers, if such person shall have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that such person had no reasonable cause to believe his conduct was unlawful, except that, if such action shall be in the right of the corporation, no such indemnification shall be provided as to any claim, issue or matter as to which such person shall have been judged to have been liable to the corporation unless and to the extent that the Court of Chancery of the State of Delaware (the "Court of Chancery"), or any court in such suit or action was brought, shall determine upon application that, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses as such court shall deem proper.

Accordingly, the Restated Certificate of Incorporation of the Company (filed herewith as Exhibit 3.1) provide that the Company shall, to the maximum extent permitted under the DGCL indemnify each person who is or was a director or officer of the Company. The Company may, by action of the Board of Directors, indemnify other employees and agents of the Corporation, directors, officers, employees or agents of a subsidiary, and each person serving as a director, officer, partner, member, employee or agent or another corporation, partnership, limited liability company, joint venture, trust or other enterprise, at the request of the Company, with the same scope and effect as the indemnification of directors and officers of the Company. Notwithstanding the foregoing, the Company shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by the Restated Certificate of Incorporation or otherwise by the Company. The Company may also enter into one or more agreements with any person which provide for indemnification greater or different than that provided in the Restated Certificate of Incorporation.

Furthermore, a director of the Company shall not be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the Company or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, or (4) for any transaction from which the director derived an improper personal benefit.

The Company's Bylaws provide that each person who was or is made a party or is threatened to be made a party to or is involved in any manner in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Company or, while a director or officer of the Company, a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified and held harmless by the Company to the fullest extent permitted by the DGCL. Such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Company shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors or is a Proceeding to enforce such person's claim to indemnification pursuant to the rights granted by the Company's Bylaws. The Company shall pay the expenses incurred by any person described in the first two sentences of this paragraph in defending any such Proceeding in advance of its final disposition upon, to the extent such an undertaking is required by applicable law, receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company as authorized in the Company's Bylaws or otherwise.

The Company's Bylaws further provide that the indemnification and the advancement of expenses incurred in defending a Proceeding prior to its final disposition provided by, or granted pursuant to, the Company's Bylaws shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Restated Certificate of Incorporation, other provision of the Company's Bylaws or otherwise.The Company may also maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, partner, member, employee or agent of the Company or a subsidiary or of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the DGCL.

The Company's Bylaws further provide that the Company may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Company the expenses incurred in defending any Proceeding in advance of its final disposition, to any person who is or was an employee or agent (other than a director or officer) of the Company or a subsidiary thereof and to any person who is or was serving at the request of the Company or a subsidiary thereof as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Company or a subsidiary thereof, to the fullest extent of the provisions of the Company's Bylaws with respect to the indemnification and advancement of expenses of directors and officers of the Company.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

In each of the sales described below, unless otherwise indicated, the Company (or the relevant predecessor) relied on Section 4(2) of the Securities Act of 1933 for exemption from registration. No brokers or underwriters were used in connection with any of such sales. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates, warrants and notes issued in such transactions. All recipients had adequate access, through their relationship with the Company, to information about the Company.

Through May 31, 1998, the Company had raised approximately $367.0 million through private sales of debt and equity securities in a series of private placements with various institutional and other accredited investors and certain employees of the Company as described below.

CTC Investment. On January 11, 1995, CTC, a predecessor to CCIC, sold (i) to Ted B. Miller, Jr. and Edward C. Hutcheson, Jr. (collectively, the "Initial Stockholders") 1,350,000 shares of Class A Common Stock, par value $.01 per share, of CTC for $270,000 and (ii) to Centennial Fund IV, Berkshire Fund III, A Limited Partnership (via Berkshire Fund III Investment Corp.) and certain trusts and natural persons that are now members of Berkshire Investors LLC (collectively, the "Berkshire Fund III Group") and J. Landis Martin (collectively, the "CTC Purchasers"), (A) 1,350,000 shares Class B Common Stock, par value $.01 per share, of CTC for $270,000, (B) 730,380 shares of Series A Convertible Preferred Stock, par value $.01 per share, of CTC for $4,382,280 and (C) $3,867,720 principal amount of Convertible Secured Subordinated Notes of CTC (the "CTC Notes") for $3,867,720. As of February 1997, all the CTC Notes had been converted into 644,620 shares of Series A Convertible Preferred Stock of the Company. The proceeds received on January 11, 1995 were used by CTC for the acquisition of towers and ancillary assets from PCI and for working capital.

Pursuant to a Securities Exchange Agreement (the "Securities Exchange Agreement"), dated as of April 27, 1995, among the Company, CTC, the Initial Stockholders and the CTC Purchasers, such parties effectively made CCIC the holding company of CTC and converted some of the obligations of CTC into capital stock of CCIC. Transactions pursuant to the Securities Exchange Agreement included (i) Centennial Fund IV transferring 208,334 shares of CTC Series A Convertible Preferred Stock to Berkshire Fund III Group in exchange for $1,250,004 principal amount of CTC Notes, (ii) Berkshire Fund III Group and J. Landis Martin converting all remaining CTC Notes held by them ($742,452 principal amount) into 123,742 shares of CTC Series A Convertible Preferred Stock, (iii) each of the outstanding shares of capital stock of CTC being exchanged for five shares of similar stock of CCIC and (iv) the remaining CTC Notes ($3,125,268 principal amount) becoming convertible into shares of Series A Convertible Preferred Stock (all of which CTC Notes were subsequently converted in February 1997).

As a result of the exchange of CTC capital stock for CCIC capital stock, each Initial Stockholder received 675,000 shares of Existing Class A Common Stock, Centennial Fund IV received 1,080,000 shares of Common Stock and 145,789 shares of Series A Preferred Stock, Mr. Martin received 41,666 shares of Series A Preferred Stock and Berkshire Fund III Group received 270,000 shares of Common Stock and 666,667 shares of Series A Preferred Stock. In July 21, 1995, Robert F. McKenzie became a party by amendment to the Securities Exchange Agreement and received 8,333 shares of Series A Preferred Stock.

1996 Investors Investment. Pursuant to a Securities Purchase Agreement, dated as of July 15, 1996, among the Company, Berkshire Fund III Group, Centennial Fund IV, J. Landis Martin, Edward C. Hutcheson, Jr. and Robert F. McKenzie, the Company privately placed 864,568 shares of its Series B Convertible Preferred Stock, par value $.01 per share ("Series B Convertible Preferred Stock"), for an aggregate purchase price of $10,374,816. Berkshire Fund III Group paid $6,000,000 for 500,000 shares, Centennial Fund IV paid $3,724,812 for 310,401 shares, Mr. Martin paid $500,004 for 41,667 shares, Mr. Hutcheson paid $99,996 for 8,333 shares and Mr. McKenzie paid $50,004 for 4,167 shares. The proceeds received on July 15, 1996 were used for (i) the purchase of the towers and microwave and SMR businesses from Motorola in Puerto Rico, (ii) an option payment relating to the acquisition of TEA and TeleStructures and (iii) working capital.

Berkshire Fund IV Investment. Pursuant to a Securities Purchase Agreement, dated as of February 14, 1997, among the Company, Centennial Fund V and Centennial Entrepreneurs Fund V, L.P. (collectively, the "Centennial Fund V Investors" and, together with Centennial Fund IV, the "Centennial Group"), Berkshire Fund IV, Limited Partnership (via Berkshire Fund IV Investment Corp.), and certain trusts and natural persons which are members of Berkshire Investors LLC (collectively, the "Berkshire Fund IV Group" and, together with

Berkshire Fund III Group, the "Berkshire Partners Group"), PNC Venture Corp., Nassau Capital Partners II L.P. ("Nassau Capital"), NAS Partners I L.L.C. ("NAS Partners" and, together with Nassau Capital, the "Nassau Group"), Fay, Richwhite Communications Limited ("Fay Richwhite"), J. Landis Martin and Robert F. McKenzie, the Company privately placed 3,529,832 shares of its Series C Convertible Preferred Stock, par value $.01 per share ("Series C Convertible Preferred Stock"), for an aggregate purchase price of $74,126,472. Centennial Fund V Investors paid $15,464,001 for 736,381 shares, Berkshire Fund IV Group paid $21,809,991 for 1,038,571 shares, PNC Venture Corp. paid $6,300,000 for 300,000 shares, Nassau Group paid an aggregate of $19,499,991 for 928,571 shares, Fay Richwhite paid $9,999,990 for 476,190 shares, Mr. Martin paid $999,999 for 47,619 shares and Mr. McKenzie paid $52,500 for 2,500 shares. The proceeds received on February 14, 1997 were used by the Company to fund a portion of its investment in CTI.

Hutcheson Investment. In March 1997, Edward C. Hutcheson, Jr. exercised stock options for 345,000 shares of Common Stock. The Company repurchased these shares and 308,435 shares of his Existing Class A Common Stock for $3,422,118.

TEA Investment. In May 1997, in connection with the Company's acquisition of the stock of TeleStructures, TEA and TeleShare, Inc. (the "TEA Companies"), the Company issued 535,710 shares of Common Stock to the shareholders of the TEA Companies: 241,070 shares to Bruce W. Neurohr, 241,070 shares to Charles H. Jones and 53,570 shares to Terrel W. Pugh.

Crown Investment. In August 1997, Robert A. Crown and Barbara Crown sold the assets of Crown Communications to, and merged CNSI and CMSI with, subsidiaries of the Company. As partial consideration for these transactions, the Crowns received 7,325,000 shares of Common Stock. Robert A. Crown and Barbara Crown are both parties to the Stockholders Agreement and are subject to its restrictions.

AHA Investment. Pursuant to a Securities Purchase Agreement, dated as of August 13, 1997, among the Company, American Home Assurance Company ("AHA"), New York Life Insurance Company ("New York Life"), The Northwestern Mutual Life Insurance Company ("Northwestern Mutual"), PNC Venture Corp., J. Landis Martin and affiliates of AHA, the Company privately placed of 292,995 shares of its Senior Convertible Preferred Stock for an aggregate purchase price of $29,299,500, together with warrants to purchase 585,990 shares of Common Stock at $7.50 per share (subject to adjustment, including weighted average antidilution adjustments). AHA and its affiliates paid $15,099,500 for 150,995 shares and warrants to purchase 301,990 shares of Common Stock. New York Life and Northwestern Mutual each paid $6,000,000 for 60,000 shares and warrants to purchase 120,000 shares of Common Stock. PNC Venture Corp. paid $2,000,000 for 20,000 shares and warrants to purchase 40,000 shares of Common Stock. Mr. Martin paid $200,000 for 2,000 shares and warrants to purchase 4,000 shares of Common Stock. The proceeds received on August 13, 1997 were used by the Company to fund a portion of the Crown Merger and working capital.

Harvard Investment. Pursuant to a Securities Purchase Agreement, dated as of October 31, 1997, among the Company, Berkshire Partners Group, Centennial Fund V Investors, Nassau Group, Fay Richwhite, Harvard Private Capital Holdings, Inc. ("Harvard"), Prime VIII, L.P. ("Prime") and the prior purchasers of Senior Convertible Preferred Stock (other than affiliates of AHA), an additional 364,500 shares of Senior Convertible Preferred Stock were issued for an aggregate purchase price of $36,450,000, together with warrants to purchase 729,000 shares of Common Stock at $7.50 per share (subject to adjustment, including weighted average antidilution adjustments). Berkshire Partners Group paid $3,500,000 for 35,000 shares and warrants to purchase 70,000 shares of Common Stock. Centennial V Investors paid $1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. Nassau Group and Fay Richwhite each paid $2,500,000 for 25,000 shares and warrants to purchase 50,000 shares of Common Stock. Harvard paid $14,950,000 for 149,500 shares and warrants to purchase 299,000 shares of Common Stock. Prime paid $5,000,000 for 50,000 shares and warrants to purchase 100,000 shares of Common Stock. AHA paid $1,500,000 for 15,000 shares and warrants to purchase 30,000 shares of Common Stock. New York Life paid $300,000 for 3,000 shares and warrants to purchase 6,000 shares of Common Stock. Northwestern Mutual paid $4,000,000 for 40,000 shares and warrants to purchase 80,000 shares of Common Stock. PNC Venture Corp. paid $1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. J. Landis Martin paid $200,000 for 2,000 shares and warrants to purchase 4,000 shares of Common Stock.

Employee Purchases. On October 30, 1995, in connection with an employment agreement, an employee of the Company purchased 83,330 shares of Common Stock from the Company at $1.20 per share. On October 1, 1996, David L. Ivy purchased 50,000 shares of Common Stock from the Company at $2.40 per share. On February 3, 1997, John L. Gwyn purchased 2,500 shares of Common Stock from the Company at $4.20 per share. On June 12, 1997, an employee of the Company purchased 2,500 shares of Common Stock from the Company at $4.20 per share.

Payment of Consultants. On January 28, 1998, in connection with the provision of consulting services to the Company, the Company issued to two consultants options exercisable for an aggregate of 23,135 shares of Common Stock at an exercise price of $4.76 per share. On June 30, 1998, in connection with the provision of consulting services to the Company, the Company issued to two consultants an aggregate of 29,525 shares of Common Stock at a valuation of $37.54 per share.

Option Exercises. On July 30, 1997, Robert F. McKenzie, a director of the Company, exercised options for 6,250 shares of Common Stock at an exercise price of $1.20 per share and on August 8, 1997, exercised options for 11,875 shares of Common Stock at an exercise price of $4.20 per share.

10 5/8% Senior Discount Notes due 2007. On November 20, 1997, the Company privately placed under Rule 144A and Regulation S of the Securities Act $251.0 million principal amount at maturity ($150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007, yielding net proceeds to the Company of approximately $143.7 million after deducting discounts and estimated fees and expenses. Lehman Brothers Inc. and Credit Suisse First Boston Corporation were the initial purchasers of such securities.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
1.1	--Form of U.S. Underwriting Agreement.
1.2	--Form of International Underwriting Agreement.
**2.1	--Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997.
**2.2	--First Amended and Restated Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997, as amended and restated on August 14, 1997.
**2.3	--Stock Purchase Agreement by and between Castle Tower Holding Corp., Bruce W. Neurohr, Charles H. Jones, Ronald J. Minnich, Ferdinand G. Neurohr and Terrel W. Pugh dated May 12, 1997 ("TEA Stock Purchase Agreement").
***2.4	--Share Exchange Agreement among Castle Transmission Services (Holdings) Ltd., Crown Castle International Corp., TeleDiffusion de France International S.A., Digital Future Investments B.V. and certain shareholders of Castle Transmission Services (Holdings) Ltd. dated as of April 24, 1998.
***3.1	--Form of Restated Certificate of Incorporation of Crown Castle International Corp.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
***3.2	--Form of Amended and Restated Bylaws of Crown Castle International Corp.
**4.1	--Indenture between Crown Castle International Corp. and United States Trust Company of New York, as trustee (including exhibits).
**4.2	--Amended and Restated Stockholders Agreement among Castle Tower Holding Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed on Schedule I thereto dated August 15, 1997.
**4.3	--Article Fourth of Certificate of Incorporation of Castle Tower Holding Corp. (included in Exhibits 3.1 through 3.5).
**4.4	--Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd., as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated May 21, 1997.
**4.5	--First Supplemental Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd, as Guarantors and The Law Debenture Trust Corporation p.l.c., as Trustee, dated October 17, 1997.
4.6	--Specimen Certificate of Common Stock.
5	--Opinion of Cravath, Swaine & Moore with respect to the legality of the Common Stock.
**10.1	--Registration Rights Agreement by and among Crown Castle International Corp. and Lehman Brothers Inc. and Credit Suisse First Boston Corporation dated as of November 25, 1997.
***10.2	--Amended and Restated Loan Agreement by and among Crown Communication Inc., Crown Castle International Corp. de Puerto Rico, Key Corporate Capital Inc. and certain lenders dated July 10, 1998.
**10.8	--Amended and Restated Limited Holdco Guaranty by Crown Castle International Corp., in favor of KeyBank National Association, as Agent, dated November 25, 1997.
**10.9	--Memorandum of Understanding regarding Management and Governance of Castle Tower Holding Corp. and Crown Communications, Inc. dated August 15, 1997.
+**10.10	--Site Commitment Agreement between Nextel Communications, Inc. and Castle Tower Corporation dated July 11, 1997.
**10.11	--Independent Contractor Agreement by and between Crown Network Systems, Inc. and Sprint Spectrum L.P. dated July 8, 1996, including addendum dated November 12, 1997.
+**10.12	--Independent Contractor Agreement between Crown Network Systems, Inc. and Powerfone, Inc. d/b/a Nextel Communications dated September 30, 1996.
+**10.13	--Independent Contractor Agreement by and between APT Pittsburgh Limited Partnership and Crown Network Systems, Inc. dated December 3, 1996.
+**10.14	--Master Lease Agreement between Sprint Spectrum, L.P. and Robert Crown d/b/a/ Crown Communications dated June 11, 1996 ("Sprint Master Lease Agreement").
**10.15	--First Amendment to Sprint Master Lease Agreement, dated July 5, 1996 (included in Exhibit 10.14).
**10.16	--Second Amendment to Sprint Master Lease Agreement, dated January 27, 1997 (included in Exhibit 10.14).

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
+**10.17	--Master Lease Agreement between Powerfone, Inc. d/b/a/ Nextel Communications and Robert A. Crown d/b/a Crown Communications dated October 3, 1996.
+**10.18	--Master Lease Agreement between APT Pittsburgh Limited Partnership and Robert Crown d/b/a Crown Communications dated December 3, 1996.
+**10.19	--Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.
+**10.20	--Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.
**10.21	--Castle Tower Holding Corp. 1995 Stock Option Plan (Third Restatement).
**10.22	--Services Agreement between Castle Transmission International Ltd (formerly known as Castle Transmission Services Ltd) and Castle Tower Holding Corp. dated February 28, 1997.
**10.23	--Shareholders' Agreement among Berkshire Fund IV Investment Corp., Berkshire Investors LLC, Berkshire Partners LLC, Candover Investments PLC, Candover (Trustees) Limited, Candover Partners Limited (as general partner for 4 limited partnerships), Castle Tower Holding Corp., Telediffusion de France International S.A., and Diohold Limited (now known as Castle Transmission Services (Holdings) Ltd) dated January 23, 1997.
**10.24	--First Amendment to Amended and Restated Stockholders Agreement by and among Crown Castle International Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed as Investors dated January 28, 1998.
**10.25	--Third Amendment to Sprint Master Lease Agreement, dated February 12, 1998.
***10.26	--Form of Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto.
***10.27	--Agreement among Castle Transmission Services (Holdings) Ltd., Digital Future Investments B.V., Berkshire Partners LLC and certain shareholders of Castle Transmission Services (Holdings) Ltd. for the sale and purchase of certain shares of Castle Transmission Services (Holdings) Ltd., for the amendment of the Shareholders' Agreement in respect of Castle Transmission Services (Holdings) Ltd. and for the granting of certain options dated April 24, 1998.
***10.28	--Form of Governance Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Digital Future Investments B.V.
10.29	--Form of Severance Agreement.
***10.30	--Form of Shareholders' Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Castle Transmission Services (Holdings) Limited.
***10.31	--Site Sharing Agreement between National Transcommunications Limited and The British Broadcasting Corporation dated September 10, 1991.
+***10.32	--Transmission Agreement between The British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
+***10.33	--Digital Terrestrial Television Transmission Agreement between The British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998.
+***10.34	--Agreement for the Provision of Digital Terrestrial Television Distribution and Transmission Services between British Digital Broadcasting plc and Castle Transmission International Ltd. dated December 18, 1997.
***10.35	--Loan Amendment Agreement among Castle Transmission International, Castle Transmission Services (Holdings) Ltd. and certain lenders dated May 21, 1997.
***10.36	--Crown Castle International Corp. 1995 Stock Option Plan (Fourth Restatement).
+***10.37	--Contract between British Telecommunications PLC and Castle Transmission International Inc. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998.
+***10.38	--Site Marketing Agreement dated June 25, 1998 between BellSouth Mobility Inc. and Crown Communication Inc.
***10.39	--Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., TeleDiffusion de France International S.A. and TeleDiffusion de France S.A.
***10.40	--Form of Amended and Restated Services Agreement between Castle Transmission International Limited and TeleDiffusion de France S.A.
***10.41	--Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme dated as of January 23, 1998.
***10.42	--Rules of the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan.
***10.43	--Form of Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited.
***10.44	--Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as January 23, 1998.
10.45	--Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998.
***10.46	--Form of Rights Agreement.
***10.47	--Deed of Grant of Option between Castle Transmission Series (Holdings) Ltd. and George Reese dated January 23, 1998.
***10.48	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated January 23, 1998.
***10.49	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated April 23, 1998.
***10.50	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr. dated April 23, 1998.
***10.51	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B Miller, Jr. dated January 23, 1998.
10.52	--Memorandum Regarding Proposed Initial Public Offering and Certain Transitional Changes Affecting Management dated July 2, 1998, between Crown Castle International Corp. and Robert A. and Barbara A. Crown.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.53	--Services Agreement dated July 2, 1998, by and between Crown Castle International Corp. and Robert A. and Barbara A. Crown.
11	--Computation of net loss per common share.
12	--Computation of Ratio of Earnings to Fixed Charges.
***21	--Subsidiaries of Crown Castle International Corp.
23.1	--Consent of KPMG Peat Marwick LLP.
23.2	--Consent of Ernst & Young LLP.
23.3	--Consent of Cravath, Swaine & Moore (included in Exhibit 5).
***99.1	--Consent of Michel Azibert.
***99.2	--Consent of Bruno Chetaille.
***99.3	--Consent of William A. Murphy.

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** Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration no. 333-47873).
*** Previously filed.
+ Indicates that portions of the exhibit have been omitted pursuant to a request for confidential treatment and such portions have been filed with the Commission separately.

Schedule I--Condensed Financial Information of Registrant

All other schedules are omitted because they are not applicable or because the required information is contained in the financial statements or notes thereto included in this Registration Statement.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on this 11th day of August, 1998.

Crown Castle International Corp.,

By: /s/ Charles C. Green, III

NAME: CHARLES C. GREEN, III
TITLE: EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on this 11th day of August, 1998.

SIGNATURE	TITLE
* TED B. MILLER, JR.	Chief Executive Officer and Vice Chairman of the Board (Principal Executive Officer)
* DAVID L. IVY	President and Director
/s/ Charles C. Green, III CHARLES C. GREEN, III	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
* WESLEY D. CUNNINGHAM	Vice President, Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)
* CARL FERENBACH	Chairman of the Board

SIGNATURE	TITLE
* ROBERT A. CROWN	Director
GARTH H. GREIMANN	Director
* RANDALL A. HACK	Director
*. DAVID C. HULL, JR.	Director
* EDWARD C. HUTCHESON, JR.	Director
* J. LANDIS MARTIN	Director
* ROBERT F. MCKENZIE	Director
* JEFFREY H. SCHUTZ	Director

*By: /s/ Charles C. Green, III

CHARLES C. GREEN, III
ATTORNEY-IN-FACT

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

BALANCE SHEET (UNCONSOLIDATED)

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31, 1996	DECEMBER 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,093	$ 53,092
Receivables and other current assets	1,073	424
Advances to subsidiaries, net	388	2,611
Total current assets	7,554	56,127
Property and equipment, net of accumulated depreciation of $0 and $27 at December 31, 1996 and 1997, respectively	--	808
Investment in subsidiaries	5,766	232,229
Investments in affiliates	2,101	59,082
Deferred financing costs and other assets, net of accumulated amortization of $0 and $69 at December 31, 1996 and 1997, respectively	49	7,075
	$15,470	$355,321
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 130	$ 1,187
Total current liabilities	130	1,187
Long-term debt	--	151,593
Total liabilities	130	152,780
Redeemable preferred stock, $.01 par value; 6,435,228 shares authorized:		
Senior Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--657,495 (stated at redemption value; aggregate liquidation value of $0 and $68,916, respectively)	--	67,948
Series A Convertible Preferred Stock; shares issued: December 31, 1996--862,455 and December 31, 1997--1,383,333 (stated at redemption and aggregate liquidation value)	5,175	8,300
Series B Convertible Preferred Stock; 864,568 shares issued (stated at redemption and aggregate liquidation value)	10,375	10,375
Series C Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--3,529,832 (stated at redemption and aggregate liquidation value)	--	74,126
Total redeemable preferred stock	15,550	160,749
Stockholders' equity (deficit):		
Common stock, $.01 par value; 11,511,109 shares authorized:		
Class A Common Stock; shares issued: December 31, 1996--1,350,000 and December 31, 1997--1,041,565	3	2
Class B Common Stock; shares issued: December 31, 1996--1,488,330 and December 31, 1997--9,367,165	3	19
Additional paid-in capital	762	58,248
Cumulative foreign currency translation adjustment	--	562
Accumulated deficit	(978)	(17,039)
Total stockholders' equity (deficit)	(210)	41,792
	$15,470	$355,321

See notes to consolidated financial statements and accompanying notes.

CROWN CASTLE INTERNATIONAL CORP.
SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

STATEMENT OF OPERATIONS (UNCONSOLIDATED)

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
Other revenues	$ --	$ --	$ 329
Interest and other income	--	171	2,028
General and administrative expenses	--	--	(149)
Corporate development expenses	--	(1,249)	(3,867)
Depreciation and amortization	--	--	(27)
Interest expense and amortization of deferred financing costs	--	--	(4,594)
Loss before income taxes and equity in earnings (losses) of subsidiaries and unconsolidated affiliate	--	(1,078)	(6,280)
Credit (provision) for income taxes	--	49	(49)
Equity in earnings (losses) of subsidiaries	(21)	72	(4,475)
Equity in losses of unconsolidated affiliate	--	--	(1,138)
Net loss	(21)	(957)	(11,942)
Dividends on Senior Convertible Preferred Stock	--	--	(2,199)
Net loss after deduction of dividends on Senior Convertible Preferred Stock	$(21)	$ (957)	$(14,141)

See notes to consolidated financial statements and accompanying notes.

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

STATEMENT OF CASH FLOWS (UNCONSOLIDATED)

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (21)	$ (957)	$ (11,942)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Equity in losses (earnings) of subsidiaries	21	(72)	4,475
Amortization of deferred financing costs and discount on long-term debt	--	--	1,652
Equity in losses of unconsolidated affiliate	--	--	1,138
Depreciation and amortization	--	--	27
Decrease (increase) in receivables and other assets	--	(1,122)	551
Increase (decrease) in accounts payable and other accrued liabilities	--	130	(103)
Net cash provided by (used for) operating activities	--	(2,021)	(4,202)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in subsidiaries	(4,972)	--	(89,989)
Investments in affiliates	--	(2,101)	(59,487)
Net advances to subsidiaries	(100)	(288)	(2,223)
Capital expenditures	--	--	(835)
Net cash used for investing activities	(5,072)	(2,389)	(152,534)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	--	--	150,010
Proceeds from issuance of capital stock	5,072	10,503	139,867
Principal payments on long-term debt	--	--	(78,102)
Incurrence of financing costs	--	--	(5,908)
Purchase of capital stock	--	--	(2,132)
Net cash provided by financing activities	5,072	10,503	203,735
NET INCREASE IN CASH AND CASH EQUIVALENTS	--	6,093	46,999
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	--	--	6,093
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ --	$ 6,093	$ 53,092
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Issuance of long-term debt in connection with acquisitions	$ --	$ --	$ 78,102
Issuance of Class B Common Stock in connection with acquisitions	--	--	57,189
Conversion of subsidiary's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock	743	--	3,657
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ --	$ --	$ 2,943
Income taxes paid	--	--	--

See notes to consolidated financial statements and accompanying notes.

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

NOTES TO FINANCIAL STATEMENTS (UNCONSOLIDATED)

1. INVESTMENT IN SUBSIDIARIES

The Company's investment in subsidiaries is presented in the accompanying unconsolidated financial statements using the equity method of accounting. Under the terms of the Senior Credit Facility, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. The amount of such dividends is limited to (i) $6,000,000 per year until October 31, 2002, and $33,000,000 per year thereafter, and (ii) an amount to pay income taxes attributable to the Company's subsidiaries. The restricted net assets of the Company's subsidiaries totaled $232,229,000 at December 31, 1997.

2. LONG-TERM DEBT

Long-term debt consists of the Company's 10 5/8% Senior Discount Notes due 2007.

3. INCOME TAXES

Income taxes reported in the accompanying unconsolidated financial statements are determined by computing income tax assets and liabilities on a consolidated basis, for the Company and members of its consolidated federal income tax return group, and then reducing such consolidated amounts for the amounts recorded by the Company's subsidiaries on a separate tax return basis.

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE
1.1	--Form of Underwriting Agreement.	
1.2	--Form of International Underwriting Agreement.	
**2.1	--Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997.	
**2.1	--Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997.	
**2.2	--First Amended and Restated Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997, as amended and restated on August 14, 1997.	
**2.3	--Stock Purchase Agreement by and between Castle Tower Holding Corp., Bruce W. Neurohr, Charles H. Jones, Ronald J. Minnich, Ferdinand G. Neurohr and Terrel W. Pugh dated May 12, 1997 ("TEA Stock Purchase Agreement").	
***2.4	--Share Exchange Agreement among Castle Transmission Services (Holdings) Ltd., Crown Castle International Corp., TeleDiffusion de France International S.A., Digital Future Investments B.V. and certain shareholders of Castle Transmission Service (Holdings) Ltd. dated as of April 24, 1998.	
***3.1	--Form of Restated Certificate of Incorporation of Crown Castle International Corp.	
***3.2	--Form of Amended and Restated Bylaws of Crown Castle International Corp.	
**4.1	--Indenture between Crown Castle International Corp. and United States Trust Company of New York, as trustee (including exhibits).	
**4.2	--Amended and Restated Stockholders Agreement among Castle Tower Holding Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed on Schedule I thereto dated August 15, 1997.	
**4.3	--Article Fourth of Certificate of Incorporation of Castle Tower Holding Corp. (included in Exhibits 3.1 through 3.5).	
**4.4	--Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd., as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated May 21, 1997.	
**4.5	--First Supplemental Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd, as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated October 17, 1997.	
4.6	--Specimen Certificate of Common Stock.	
5	--Opinion of Cravath, Swaine & Moore with respect to the legality of Common Stock.	
**10.1	--Registration Rights Agreement by and among Crown Castle International Corp. and Lehman Brothers Inc. and Credit Suisse First Boston Corporation dated as of November 25, 1997.	
***10.2	--Amended and Restated Loan Agreement by and among Crown Communication Inc., Crown Castle International Corp. de Puerto Rico, Key Corporate Capital Inc. and certain lenders dated July 10, 1998.	
**10.8	--Amended and Restated Limited Holdco Guaranty by Crown Castle International Corp., in favor of KeyBank National Association, as Agent, dated November 25, 1997.	

EXHIBIT NO.	DESCRIPTION	PAGE
**10.9	--Memorandum of Understanding regarding Management and Governance of Castle Tower Holding Corp. and Crown Communications, Inc. dated August 15, 1997.	
+**10.10	--Site Commitment Agreement between Nextel Communications, Inc. and Castle Tower Corporation dated July 11, 1997.	
+**10.11	--Independent Contractor Agreement by and between Crown Network Systems, Inc. and Sprint Spectrum L.P. dated July 8, 1996, including addendum dated November 12, 1997.	
+**10.12	--Independent Contractor Agreement between Crown Network Systems, Inc. and Powerfone, Inc. d/b/a Nextel Communications dated September 30, 1996.	
+**10.13	--Independent Contractor Agreement by and between APT Pittsburgh Limited Partnership and Crown Network Systems, Inc. dated December 3, 1996.	
+**10.14	--Master Lease Agreement between Sprint Spectrum, L.P. and Robert Crown d/b/a/ Crown Communications dated June 11, 1996 ("Sprint Master Lease Agreement").	
**10.15	--First Amendment to Sprint Master Lease Agreement, dated July 5, 1996 (included in Exhibit 10.14).	
**10.16	--Second Amendment to Sprint Master Lease Agreement, dated January 27, 1997 (included in Exhibit 10.14).	
+**10.17	--Master Lease Agreement between Powerfone, Inc. d/b/a/ Nextel Communications and Robert A. Crown d/b/a Crown Communications dated October 3, 1996.	
+**10.18	--Master Lease Agreement between APT Pittsburgh Limited Partnership and Robert Crown d/b/a Crown Communications dated December 3, 1996.	
+**10.19	--Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.	
+**10.20	--Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.	
**10.21	--Castle Tower Holding Corp. 1995 Stock Option Plan (Third Restatement).	
**10.22	--Services Agreement between Castle Transmission International Ltd (formerly known as Castle Transmission Services Ltd) and Castle Tower Holding Corp. dated February 28, 1997.	
**10.23	--Shareholders' Agreement among Berkshire Fund IV Investment Corp., Berkshire Investors LLC, Berkshire Partners LLC, Candover Investments PLC, Candover (Trustees) Limited, Candover Partners Limited (as general partner for 4 limited partnerships), Castle Tower Holding Corp., Telediffusion de France International S.A., and Diohold Limited (now known as Castle Transmission Services (Holdings) Ltd) dated January 23, 1997.	
**10.24	--First Amendment to Amended and Restated Stockholders Agreement by and among Crown Castle International Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed as Investors dated January 28, 1998.	
**10.25	--Third Amendment to Sprint Master Lease Agreement, dated February 12, 1998.	
***10.26	--Form of Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto.	

EXHIBIT NO.	DESCRIPTION	PAGE
***10.27	--Agreement among Castle Transmission Services (Holdings) Ltd., Digital Future Investments B.V., Berkshire Partners LLC and certain shareholders of Castle Transmission Services (Holdings) Ltd. for the sale and purchase of certain shares of Castle Transmission Services (Holdings) Ltd., for the amendment of the Shareholders' Agreement in respect of Castle Transmission Services (Holdings) Ltd. and for the granting of certain options, dated April 24, 1998.	
***10.28	--Form of Governance Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Digital Future Investments B.V.	
10.29	--Form of Severance Agreement.	
***10.30	--Form of Shareholders' Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Castle Transmission Services (Holdings) Ltd.	
***10.31	--Site Sharing Agreement between National Transcommunications Limited and The British Broadcasting Corporation dated September 10, 1991.	
+***10.32	--Transmission Agreement between the British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997.	
+***10.33	--Digital Terrestrial Television Transmission Agreement between the British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998.	
+***10.34	--Agreement for the Provision of Digital Terrestrial Television Distribution and Transmission Services between British Digital Broadcasting plc and Castle Transmission International Ltd. dated December 18, 1997.	
***10.35	--Loan Amendment Agreement among Castle Transmission International Ltd., Castle Transmission Services (Holdings) Ltd. and certain lenders dated May 21, 1997.	
***10.36	--Crown Castle International Corp. 1995 Stock Option Plan (Fourth Restatement).	
+***10.37	--Contract between British Telecommunications PLC and Castle Transmission International Ltd. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998.	
+***10.38	--Site Marketing Agreement dated June 25, 1998 between BellSouth Mobility Inc. and Crown Communication Inc.	
***10.39	--Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., TeleDiffusion de France International S.A. and TeleDiffusion de France S.A.	
***10.40	--Form of Amended and Restated Services Agreement between Castle Transmission International Limited and TeleDiffusion de France S.A.	
***10.41	--Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme dated as of January 23, 1998.	
***10.42	--Rules of the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan.	
***10.43	--Form of Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited.	
***10.44	--Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as January 23, 1998.	
10.45	--Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998.	
***10.46	--Form of Rights Agreement.	
***10.47	--Deed of Grant of Option between Castle Transmission Series (Holdings) Ltd. and George Reese dated January 23, 1998.	

EXHIBIT NO.	DESCRIPTION	PAGE
***10.48	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated January 23, 1998.	
***10.49	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated April 23, 1998.	
***10.50	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr. dated April 23, 1998.	
***10.51	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr. dated January 23, 1998.	
10.52	--Memorandum Regarding Proposed Initial Public Offering and Certain Transitional Changes Affecting Management dated July 2, 1998, between Crown Castle International Corp. and Robert A. and Barbara A. Crown.	
10.53	--Services Agreement dated July 2, 1998, by and between Crown Castle International Corp. and Robert A. and Barbara A. Crown.	
11	--Computation of net loss per common share.	
12	--Computation of Ratio of Earnings to Fixed Charges.	
***21	--Subsidiaries of Crown Castle International Corp.	
23.1	--Consent of KPMG Peat Marwick LLP.	
23.2	--Consent of Ernst & Young LLP.	
23.3	--Consent of Cravath, Swaine & Moore (included in Exhibit 5).	
***99.1	--Consent of Michel Azibert.	
***99.2	--Consent of Bruno Chetaille.	
***99.3	--Consent of William A. Murphy.	

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** Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration no. 333-43873).

*** Previously filed.

\+ Indicates that portions of the exhibit have been omitted pursuant to a request for confidential treatment and such portions have been filed with the Commission separately.

EXHIBIT 1.1

25,000,000 SHARES

CROWN CASTLE INTERNATIONAL CORP.

COMMON STOCK

U.S. UNDERWRITING AGREEMENT

August __, 1998

Lehman Brothers Inc.
Credit Suisse First Boston Corporation
Goldman, Sachs & Co.
Smith Barney Inc.
As Representatives of the several
U.S. Underwriters named in Schedule 1,
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Dear Sirs:

Crown Castle International Corp., a Delaware corporation (the "Company") and Robert A. Crown, Barbara A. Crown, Robert A. Crown and PNC Bank, Delaware, Trustees of the Robert A. Crown Grantor Retained Annuity Trust and Barbara A. Crown and PNC Bank, Delaware, Trustees of the Barbara A. Crown Grantor Retained Annuity Trust (collectively, the "Crown Selling Stockholders") propose to sell an aggregate of 25,000,000 shares (the "Firm Stock") of the Company's Common Stock, par value $.01 per share (the "Common Stock"). Of the 25,000,000 shares of the Firm Stock, 21,250,000 are being sold by the Company and 3,750,000 by the Crown Selling Stockholders. It is understood that, subject to the conditions hereinafter stated, 25,000,000 shares of Common Stock will be sold to the several U.S. underwriters named in Schedule 1 hereto (the "U.S. Underwriters") in connection with the offering and sale of such Common Stock in the United States and Canada to United States and Canadian Persons (as such terms are defined in the Agreement Between U.S. Underwriters and International Managers) (as defined). In addition, certain executive officers of the Company named in Schedule 2 hereto (the "Executive Selling Stockholders"), certain non-executive employee stockholders of the Company named in Schedule 2 hereto (the "Employee Selling Stockholders") and certain financial sponsor stockholders, certain other stockholders who are affiliates of such financial sponsors and certain directors of the Company named on Schedule 2 hereto (collectively, the "Sponsor Selling Stockholders" and, together with the Executive Selling Stockholders and the Employee Selling Stockholders, the "Option Selling Stockholders") propose to grant to the U.S. Underwriters named in Schedule 1 hereto (the "U.S. Underwriters") an option to purchase up to an additional 4,687,500 shares of the Common Stock on the terms and for the purposes set forth in Section 5 (the "Option Stock"). This is to confirm the agreement concerning the purchase by the U.S. Underwriters of the Firm Stock from the Company and the Crown Selling Stockholders and of the Option Stock, if purchased, from the

Option Selling Stockholders. The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the "Stock," and the Crown Selling Stockholders and the Option Selling Stockholders are hereinafter collectively referred to as the "Selling Stockholders."

It is understood by all parties that the Company is concurrently entering into an agreement dated the date hereof (the "International Underwriting Agreement") providing for the sale by the Company of an aggregate of 6,250,000 shares of Common Stock (the "International Stock") through arrangements with certain underwriters outside the United States and Canada (the "International Managers"), for whom Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc. are acting as lead managers. The U.S. Underwriters and the International Managers simultaneously are entering into an agreement between the U.S. and international underwriting syndicates (the "Agreement Between U.S. Underwriters and International Managers") which provides for, among other things, the transfer of shares of Common Stock between the two syndicates. Two forms of prospectus are to be used in connection with the offering and sale of shares of Common Stock contemplated by the foregoing, one relating to the Stock and the other relating to the International Stock. The latter form of prospectus will be identical to the former except for certain substitute pages as included in the registration statement and amendments thereto referred to below. Except as used in Sections 5, 6, 7, 16, 17 and 18 herein, and except as the context may otherwise require, references herein to the Stock shall include all the shares of the Common Stock which may be sold pursuant to either this Agreement or the International Underwriting Agreement, and references herein to any prospectus, whether in preliminary or final form, and whether as amended or supplemented, shall include both the U.S. and the international versions thereof.

1. Representations, Warranties And Agreements Of The Company. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-1 and any amendments thereto with respect the Stock has (i) been prepared by the Company in conformity with the requirements of the United States Securities Act of 1933 (the "Securities Act") and the rules and regulations (the "Rules and Regulations") of the United States Securities and Exchange Commission (the "Commission") thereunder, (ii) been filed with the Commission under the Securities Act and (iii) become effective under the Securities Act. Copies of such registration statement and the amendments thereto have been delivered by the Company to you as the representatives (the "Representatives") of the U.S. Underwriters. As used in this Agreement, "Effective Time" means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; "Effective Date" means the date of the Effective Time; "Preliminary Prospectus" means each prospectus included in such registration statement, or amendments thereto, before it became effective under the Securities Act and any prospectus filed with the Commission by the Company with the consent of the Representatives pursuant to Rule 424(a) of the Rules and Regulations; "Registration Statement" means such registration statement, as amended at the Effective Time, including all information contained in the final prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations in accordance with Section 8 hereof and deemed to be a part of the registration statement as of the Effective Time pursuant to paragraph (b) of Rule 430A of the Rules and Regulations and including any registration statement registering additional shares of Common Stock filed with the Commission pursuant to Rule 462(b) of the Rules and Regulations; and "Prospectus" means such final prospectus, as first filed with the Commission pursuant to paragraph (1) or (4) of Rule 424(b) of the Rules and Regulations. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus.

(b) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will, when they become effective or are filed with the Commission, as the case may be, conform, in all respects to the requirements of the Securities Act and the Rules and Regulations and do not and will not, as of the applicable effective date (as to the Registration Statement and any amendment thereto) and as of the applicable filing date (as to the Prospectus and any amendment or supplement thereto) contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any U.S. Underwriter or International Manager specifically for inclusion therein.

(c) The industry-related and tower-related data and estimates included in the Prospectus are based on or derived from sources which the Company believes to be reliable and accurate.

(d) The Company is a corporation duly incorporated and validly existing and in good standing under the laws of Delaware with all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify or to be in good standing would not have a material adverse effect on the condition (financial or other), business, prospects, properties or results of operations of the Company, Crown Communication, Inc. ("CCI"), Crown Network Systems, Inc. ("Network"), Crown Mobile Systems, Inc. ("Mobile"), TEA Group Incorporated ("TEA"), Spectrum Site Management Corporation ("Spectrum"), TeleStructures, Inc. ("TeleStructures"), Crown Castle International Corp. de Puerto Rico ("CCIC

(PR)"), Crown Communication New York, Inc. ("CCNY") and Castle Transmission Services (Holdings) Ltd. ("CTSH"), Castle Transmission International, Ltd. ("CTI") and Castle Transmission (Finance) Plc ("CTF" and, together with CCI, Network, Mobile, TEA, Spectrum, TeleStructures, CCIC (PR), CCNY, CTSH, CTI and CTF, the "Subsidiaries") taken as a whole (a "Material Adverse Effect").

(e) None of the subsidiaries of the Company (other than CCI and, following the consummation of the transactions contemplated hereby, CTI (collectively, the "Significant Subsidiaries")) is a "significant subsidiary," as such term is defined in Rule 405 of the Rules and Regulations.

(f) CTI is a corporation duly incorporated and validly existing under the laws of the jurisdiction of its incorporation with all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus, and is duly registered and qualified to conduct its business in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify or to be in good standing would not have a Material Adverse Effect.

(g) As of the First Delivery Date (as defined), the Company will have an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof contained in the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and (except for directors' qualifying shares and except as set forth in the Registration Statement (including the exhibits thereto) with respect to shares subject to liens under the Company's Senior Credit Facility) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

(h) The unissued shares of the Stock to be issued and sold by the Company to the U.S. Underwriters hereunder and to the International Managers under the International Underwriting Agreement have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and non-assessable; and the Stock will conform to the description thereof contained in the Prospectus.

(i) The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(j) The application for the inclusion of the Stock on the NASDAQ National Market System has been approved, subject only to official notice of issuance and evidence of satisfactory distribution.

(k) This Agreement has been duly authorized, executed and delivered by the Company, and, assuming due authorization, execution and delivery by the U.S. Underwriters, constitutes the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding in equity or at law).

(l) The execution, delivery and performance of this Agreement and the International Underwriting Agreement by the Company and the consummation of the transactions contemplated hereby, and the transactions described in the Prospectus under the caption "The Roll-Up" (such transactions are herein collectively called the "Roll-Up") will not conflict with or result in a breach or violation of any of the terms or provisions of, or (with the giving of notice or the lapse of time or both) constitute a default under, (i) any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound or to which any of the properties or assets of the Company or any of the Subsidiaries is subject, (ii) the provisions of the charter, by-laws or other constitutive documents of the Company or any of the Subsidiaries or (iii) any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of the Subsidiaries or any of their properties or assets, except in the cases of clause (i) or (iii), such breaches, violations or defaults that in the aggregate would not have a Material Adverse Effect; and except for (A) the registration of the Stock under the Securities Act and (B) such consents, approvals, authorizations, registrations or qualifications (1) as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the U.S. Underwriters and the International Managers, (2) as may have already been obtained or made and (3) the failure to obtain or make would not, individually or in the aggregate, have a Material Adverse Effect, no consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body is required for the execution, delivery and performance of this Agreement or the International Underwriting Agreement by the Company and the consummation of the transactions contemplated hereby and in the Roll-Up.

(m) Except as described in the Prospectus, there are no contracts, agreements or understandings between the Company or any of the Subsidiaries and any person granting such person the right to require the Company or any of the Subsidiaries to file a registration statement under the Securities Act with respect to any securities of the Company and the Subsidiaries owned or to be owned by such person or to require the Company or any of the Subsidiaries to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company or any of the Subsidiaries under the Securities Act.

(n) Except as described in the Prospectus, the Company has not sold or issued any shares of Common Stock during the six-month period preceding the date of the Prospectus, including any sales pursuant to Rule 144A under, or Regulation D or Regulation S of, the Securities Act other than shares issued pursuant to employee benefit plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(o) Neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included in the Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since such date, except as described or contemplated in the Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any adverse change, or any development involving a prospective adverse change, which individually or in the aggregate has had or would have a Material Adverse Effect.

(p) The consolidated historical and pro forma financial statements, together with the related notes thereto filed as part of the Registration Statement or included in the Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Act applicable to registration statements on Form S-1 under the Act. Such historical financial statements fairly present the financial position of the Company at the respective dates indicated and the results of operations and cash flows for the respective periods indicated, in each case in accordance with generally accepted accounting principles ("GAAP") consistently applied throughout such periods. Such pro forma financial statements have been prepared on a basis consistent with such historical statements, except for the pro forma adjustments specified therein, and give effect to assumptions made on a reasonable basis and in good faith and present fairly the pro forma position, results of operations and the other information purported to be shown therein at the respective dates or the respective periods therein specified. The other financial and statistical information and data filed as part of the

Registration Statement or included in the Prospectus, historical and pro forma, are, in all material respects, fairly presented and prepared on a basis consistent with such financial statements and the books and records of the Company.

(q) KPMG Peat Marwick LLP, who have certified certain financial statements of the Company, whose report appears in the Prospectus and who have delivered the initial letter referred to in Section 14(k) hereof, are independent public accountants as required by the Securities Act and the Rules and Regulations during the periods covered by the financial statements on which they reported contained in the Prospectus.

(r) The Company and each of the Subsidiaries has good and indefeasible title to all property (real and personal) described in the Prospectus as being owned by it, free and clear of all liens, claims, security interests or other encumbrances except such as are described in the Prospectus, and all the material property described in the Prospectus as being held under lease by the Company and any such Subsidiary is held by it under valid, subsisting and enforceable leases, with only such exceptions as would not in the aggregate have a Material Adverse Effect. In addition, except as described in the Prospectus, the consummation of the transactions contemplated by this Agreement and the Roll-Up will not give rise to any third party rights of first refusal under any agreement as to which the Company and any of the Subsidiaries or any of their property or assets may be subject.

(s) The Company and each of the Significant Subsidiaries carry, or are covered by, insurance in such amounts and covering such risks as is adequate for the conduct of its businesses and the value of its properties and as is customary for companies engaged in similar businesses in similar industries.

(t) The Company and each of the Significant Subsidiaries has such permits, licenses, franchises, certificates of need and other approvals or authorizations of any governmental or regulatory authority ("Permits"), including, without limitation, any permits required by the Federal Communications Commission ("FCC"), the Federal Aviation Administration ("FAA") or the Office of Telecommunications ("OFTEL"), as are necessary under applicable law to own their respective properties and to conduct their respective businesses in the manner described in the Prospectus, except to the extent that the failure to have such Permits would not have a Material Adverse Effect. The Company and the Significant Subsidiaries have fulfilled and performed in all material respects, all their respective obligations with respect to the Permits, and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such Permit, subject in each case to such qualification as may be set forth in the Prospectus and except to the extent that any such revocation or termination would not have a Material Adverse Effect. Except as described in the Prospectus, none of the Permits contains any restriction that has not previously been satisfied and that is materially burdensome to the Company or any of the Significant Subsidiaries.

(u) For each existing tower of the Company not yet registered with the FCC where registration will be required, the FCC's grant of an application for registration of such tower will not have a significant environmental effect as defined under Section 1.1307(a) of the FCC's rules.

(v) The consummation of the transactions contemplated by this Agreement shall not cause any third party to have any rights of first refusal with respect to the acquisition of towers under any Material Agreement that has not already been described in the Prospectus as to which the Company and any of the Significant Subsidiaries or any of their property or assets may be subject.

(w) The Company and each of the Significant Subsidiaries owns or possesses all patents, trademarks, trademark registration, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights described in the Prospectus as being owned by any of them or necessary for the conduct of their respective businesses, and neither the Company nor any of the Significant Subsidiaries is aware of any claim to the contrary or any challenge by any other person to the rights of the Company or any of the Significant Subsidiaries with respect to such rights that, if determined adversely to the Company or any such Significant Subsidiary, would in the aggregate have a Material Adverse Effect.

(x) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened, against the Company or any Subsidiary or to which any of their respective properties is subject, that are not disclosed in the Prospectus and which are reasonably likely to have a Material Adverse Effect. The descriptions in the Prospectus of all agreements, contracts, indentures, leases or other instruments are accurate in all material respects and fairly present the information purported to be described therein.

(y) Neither the Company nor any of the Subsidiaries is involved in any strike, job action or labor dispute with any group of employees, and, to the knowledge of the Company and the Subsidiaries, no such action or dispute is threatened.

(z) The Company and each of the Subsidiaries are in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in

ERISA) for which the Company would have any liability; the Company has not incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code"); and each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(aa) The Company and each of the Subsidiaries have filed all federal, state and local income and franchise tax returns required to be filed through the date hereof and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company or any of the Subsidiaries nor does the Company or any of the Subsidiaries have any knowledge of any tax deficiency which, if determined adversely to the Company or any of the Subsidiaries, would have a Material Adverse Effect.

(bb) Since the date as of which information is given in the Prospectus through the date hereof, and except as may otherwise be disclosed in the Prospectus, the Company has not (i) issued or granted any securities, (ii) incurred any liability or obligation, direct or contingent, or entered into any transaction, in each case not in the ordinary course of business which is material to the Company and its Subsidiaries taken as a whole or (iii) declared or paid any dividend on its capital stock (excluding payment in lieu of fractional shares upon conversion of certain senior preferred convertible stock of the Company).

(cc) The Company (i) makes and keeps accurate books and records and (ii) maintains a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements in conformity with GAAP and to maintain accountability for assets, (C) access to its assets is permitted only in accordance with management's general or specific authorization and (D) the reported accountability for its assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(dd) Neither the Company nor any of the Subsidiaries (i) is in violation of its charter or by-laws, (ii) is in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation in any material respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business.

(ee) Neither the Company nor any of the Subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of the Subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(ff) There has been no storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes or hazardous substances by the Company or any of the Subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company or any of the Subsidiaries in violation of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit or which would require remedial action under any applicable law, ordinance, rule, regulation, order, judgment, decree or permit, except for any violation or remedial action which would not have, or could not be reasonably likely to have, singularly or in the aggregate, a Material Adverse Effect; there has been no material spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any toxic wastes, medical wastes, solid wastes, hazardous wastes or hazardous substances due to or caused by the Company or any of the Subsidiaries or with respect to which the Company or any of the Subsidiaries has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have or would not be reasonably likely to have, singularly or in the aggregate, a Material Adverse Effect; and the terms "hazardous wastes," "toxic wastes," "hazardous substances" and "medical wastes" shall have the meanings specified in any applicable local, state, federal and foreign laws or regulations with respect to environmental protection.

(gg) Neither the Company nor any Subsidiary is an "investment company" within the meaning of such term under the United States Investment Company Act of 1940, as amended, and the rules and regulations of the Commission promulgated thereunder.

(hh) The Company has complied with all provisions of Section 517.075, Florida Statutes relating to doing business with the Government of Cuba or with any person or affiliate located in Cuba.

2. Representations, Warranties and Agreements of the Crown Selling Stockholders. Each of the Crown Selling Stockholders represents, warrants and agrees that:

(a) Such Crown Selling Stockholder has, and immediately prior to the First Delivery Date (as defined in Section 7 hereof) such Crown Selling Stockholder will have, good and valid title to the shares of Stock to be sold by such Crown Selling Stockholder hereunder on such date, free and clear of all liens, encumbrances, equities or claims; and upon delivery of such shares and payment therefor pursuant hereto and thereto, good and valid title to such shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several U.S. Underwriters.

(b) Such Crown Selling Stockholder has placed in custody under a custody agreement (the "Custody Agreement") with the Company, as custodian (the "Custodian"), for delivery under this Agreement, certificates in negotiable form (with signature guaranteed by a commercial bank or trust company having an office or correspondent in the United States or a member firm of the New York or American Stock Exchanges) representing the shares of Stock to be sold by such Crown Selling Stockholder hereunder.

(c) Such Crown Selling Stockholder has duly and irrevocably executed and delivered a power of attorney (the "Power of Attorney") appointing the Custodian and one or more other persons, as attorneys-in-fact, with full power of substitution, and with full authority (exercisable by any one or more of them) to execute and deliver this Agreement and to take such other action as may be necessary or desirable to carry out the provisions hereof on behalf of such Crown Selling Stockholder.

(d) Such Crown Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement; the execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement by such Crown Selling Stockholder and the consummation by such Crown Selling Stockholder of the transactions contemplated hereby and thereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Crown Selling Stockholder is a party or by which such Crown Selling Stockholder is bound or to which any of the property or assets of such Crown Selling Stockholder is subject, nor will such actions result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Crown Selling

Stockholder or the property or assets of such Crown Selling Stockholder; and, except for the registration of the Stock under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the U.S. Underwriters, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the Power of Attorney or the Custody Agreement by such Crown Selling Stockholder and the consummation by such Crown Selling Stockholder of the transactions contemplated hereby and thereby.

(e) Such Crown Selling Stockholder has no actual knowledge (as defined in Section 15(g) hereof) of (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto, in each case as of its date or as of the First Delivery Date or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, in each case as of its date or as of the First Delivery Date, any material fact required to be stated therein or necessary to make the statements therein not misleading.

(f) Such Crown Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the shares of the Stock.

3. Representations, Warranties and Agreements of the Executive Selling Stockholders. Each Executive Selling Stockholder, severally and not jointly, represents, warrants and agrees as to such Executive Selling Stockholder that:

(a) Such Executive Selling Stockholder will have, immediately prior to the Second Delivery Date (as defined in Section 7 hereof), good and valid title to the shares of Stock to be sold by such Executive Selling Stockholder hereunder on such date, free and clear of all liens, encumbrances, equities or claims; and upon delivery of such shares and payment therefor pursuant hereto and thereto, good and valid title to such shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several U.S. Underwriters.

(b) Such Executive Selling Stockholder has placed in custody under a custody agreement (the "Custody Agreement") with the Company, as custodian (the "Custodian"), for delivery under this Agreement, certificates in negotiable form (with signature guaranteed by a commercial bank or trust company having an office or correspondent in the United States or a member firm of the New York or American Stock Exchanges) or an irrevocable exercise notice of options representing the shares of Stock to be sold by such Executive Selling Stockholder hereunder.

(c) Such Executive Selling Stockholder has duly and irrevocably executed and delivered a power of attorney (the "Power of Attorney") appointing one or more persons as attorneys-in-fact, with full power of substitution, and with full authority (exercisable by any one or more of them) to execute and deliver this Agreement and to take such other action as may be necessary or desirable to carry out the provisions hereof on behalf of such Executive Selling Stockholder.

(d) Such Executive Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement; the execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement by such Executive Selling Stockholder and the consummation by such Executive Selling Stockholder of the transactions contemplated hereby and thereby will not result in a material breach or violation of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement or other similar agreement or instrument to which such Executive Selling Stockholder is a party or by which such Executive Selling Stockholder is bound or to which any of the property or assets of such Executive Selling Stockholder is subject, nor will such actions result in any material violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Executive Selling Stockholder or the property or assets of such Executive Selling Stockholder; and, except for (A) the registration of the Stock under the Securities Act and (B) such consents, approvals, authorizations, registrations or qualifications (1) as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the U.S. Underwriters, (2) as may have already been obtained or made and (3) the failure to obtain or make would not, individually or in the aggregate, have a material adverse effect on such Selling Stockholder's ability to transfer and sell its Option Stock to the U.S. Underwriters, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the Power of Attorney or the Custody Agreement by such Executive Selling Stockholder and the consummation by such Executive Selling Stockholder of the transactions contemplated hereby and thereby.

(e) Such Executive Selling Stockholder has no reason to believe that the representations and warranties of the Company contained in Section 1 hereof are not materially true and correct, is familiar with the Registration Statement and the Prospectus (as amended or supplemented) and has no knowledge of any material fact, condition or information not disclosed in the Registration Statement, as of the effective date, or the Prospectus (or any amendment or supplement thereto), as of the applicable filing date, which has adversely affected or may adversely affect the business of the Company and is not prompted to sell shares of Common Stock by any information concerning the Company which is not set forth in the Registration Statement and the Prospectus.

(f) Such Executive Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of any shares of Common Stock or any security convertible into or exchangeable or exercisable for shares of Common Stock to facilitate the sale or resale of the shares of the Stock.

4. Representations, Warranties and Agreements of the Employee Selling Stockholders and the Sponsor Selling Stockholders. Each Employee Selling Stockholder and each Sponsor Selling Stockholder, severally and not jointly, represents, warrants and agrees as to such Employee Selling Stockholder or Sponsor Selling Stockholder, as the case may be, that:

(a) Such Selling Stockholder has, and immediately prior to the Second Delivery Date (as defined in Section 7 hereof) such Selling Stockholder will have, good and valid title to the shares of Stock to be sold by such Selling Stockholder hereunder on such date, free and clear of all liens, encumbrances, equities or claims; and upon delivery of such shares and payment therefor pursuant hereto and thereto, good and valid title to such shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several U.S. Underwriters.

(b) Such Selling Stockholder has placed in custody under a custody agreement (the "Custody Agreement") with the Company, as custodian (the "Custodian"), for delivery under this Agreement, certificates in negotiable form (with signature guaranteed by a commercial bank or trust company having an office or correspondent in the United States or a member firm of the New York or American Stock Exchanges) representing the shares of Stock to be sold by such Selling Stockholder hereunder.

(c) Such Selling Stockholder has duly and irrevocably executed and delivered a power of attorney (the "Power of Attorney") appointing one or more persons as attorneys-in-fact, with full power of substitution, and with full authority (exercisable by any one or more of them) to execute and deliver this Agreement and to take such other action as may be necessary or desirable to carry out the provisions hereof on behalf of such Selling Stockholder.

(d) Such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement; the execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby will not result in a material breach or violation of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement or other similar agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such actions result in any material violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder; and, except for (A) the registration of the Stock under the Securities Act and (B) such consents, approvals, authorizations, registrations or qualifications (1) as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the U.S. Underwriters, (2) as may have already been obtained or made and (3) the failure to obtain or make would not, individually or in the aggregate, have a material adverse effect on such Selling Stockholder's ability to transfer and sell its Option Stock to the U.S. Underwriters, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the Power of Attorney or the Custody Agreement by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby.

(e) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of any shares of Common Stock or any security convertible into or exchangeable or exercisable for shares of Common Stock to facilitate the sale or resale of the shares of the Stock.

5. Purchase of the Stock by the U.S. Underwriters. On the basis of the representations and warranties contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell 21,250,000 shares of the Firm Stock and the Crown Selling Stockholders hereby agree to sell an aggregate of 3,750,000 shares of the Firm Stock (as allocated among the Crown Selling Stockholders pursuant to Schedule 2 hereto) to the several U.S. Underwriters and each U.S. Underwriter, severally and not jointly, agrees to purchase the respective number of shares of Firm Stock set opposite that U.S. Underwriter's name in Schedule 1 hereto at U.S. $__________ a share. Each U.S. Underwriter shall be obligated to purchase from the Company and from each Crown Selling Stockholder that number of shares of the Firm Stock which represents the same proportion of the number of shares of the Firm Stock to be sold by the Company and the Crown Selling Stockholders as the number of shares of the Firm Stock set forth opposite the name of such U.S. Underwriter in Schedule 1 represents of the total number of shares of the Firm Stock to be purchased by all of the U.S. Underwriters pursuant to this Agreement. The respective purchase obligations of the U.S. Underwriters with respect to the

Firm Stock shall be rounded among the U.S. Underwriters to avoid fractional shares, as the Representatives may determine.

In addition, the Option Selling Stockholders, severally and not jointly, grant to the U.S. Underwriters an option to purchase up to an aggregate of 4,687,500 shares of Option Stock (as allocated among the Option Selling Stockholders pursuant to Schedule 2 hereto). Such option is granted solely for the purpose of covering over-allotments in the sale of Firm Stock and is exercisable as provided in Section 7 hereof. Shares of Option Stock shall be purchased severally for the account of the U.S. Underwriters in proportion to the number of shares of Firm Stock set opposite the name of such U.S. Underwriters in Schedule 1 hereto at U.S. $__________ a share. The respective purchase obligations of each U.S. Underwriter with respect to the Option Stock shall be adjusted by the Representatives so that no U.S. Underwriter shall be obligated to purchase Option Stock other than in 100 share amounts.

The Company and the Crown Selling Stockholders shall not be obligated to deliver any of the Stock to be delivered on the First Delivery Date (as hereinafter defined) except upon payment for all the Stock to be purchased on such Delivery Date as provided herein. The Option Selling Stockholders shall not be obligated to deliver any of the Option Stock to be delivered on the Second Delivery Date (as hereinafter defined), except upon payment for all the Option Stock to be purchased on such delivery date as provided herein.

6. Offering of Stock by the U.S. Underwriters.

Upon authorization by the Representatives of the release of the Firm Stock, the several U.S. Underwriters propose to offer the Firm Stock for sale upon the terms and conditions set forth in the Prospectus. The Firm Stock is to be offered to the public initially at U.S. $________ a share.

Each U.S. Underwriter agrees that, except to the extent permitted by the Agreement Between U.S. Underwriters and International Managers, it will not offer or sell any of the Stock outside of the United States or Canada.

7. Delivery of and Payment for the Stock. Delivery of and payment for the Firm Stock shall be made at the office of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, at 10:00 A.M., New York City time, on the third full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Representatives and the Company. This date and time are sometimes referred to as the "First Delivery Date." On the First Delivery Date, the Company and the Crown Selling Stockholders shall deliver or cause to be delivered certificates representing the Firm Stock to the Representatives for the account of each U.S. Underwriter against payment to or upon the order of the Company and the Crown Selling Stockholders of the purchase price in immediately available funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each U.S. Underwriter hereunder. Upon delivery, the Firm Stock shall be registered in such names and in such denominations as the Representatives shall request in writing not less than two full business days prior to the First

Delivery Date. For the purpose of expediting the checking and packaging of the certificates for the Firm Stock, the Company and the Crown Selling Stockholders shall make the certificates representing the Firm Stock available for inspection by the Representatives in New York, New York, not later than 2:00 P.M., New York City time, on the business day prior to the First Delivery Date.

At any time on or before the thirtieth day after the date of this Agreement the option granted in Section 5 may be exercised by written notice being given to the Company and to the Option Selling Stockholders by the Representatives. Such notice shall set forth the aggregate number of shares of Option Stock as to which the option is being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Representatives, when the shares of Option Stock are to be delivered; provided, however, that this date and time shall not be earlier than the First Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. The date and time the shares of Option Stock are delivered are sometimes referred to as the "Second Delivery Date" and the First Delivery Date and the Second Delivery Date are sometimes each referred to as a "Delivery Date."

Delivery of and payment for the Option Stock shall be made at the place specified in the first sentence of the first paragraph of this Section 7 (or at such other place as shall be determined by agreement between the Representatives and the Company) at 10:00 A.M., New York City time, on the Second Delivery Date. On the Second Delivery Date, each Option Selling Stockholder shall deliver or cause to be delivered the certificates representing the Option Stock to be sold by such Option Selling Stockholder to the Representatives for the account of each U.S. Underwriter against payment to or upon the order of the Company of the purchase price in immediately available funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each U.S. Underwriter hereunder. Upon delivery, the Option Stock shall be registered in such names and in such denominations as the Representatives shall request in the aforesaid written notice. For the purpose of expediting the checking and packaging of the certificates for the Option Stock, the Option Selling Stockholders shall make the certificates representing the Option Stock available for inspection by the Representatives in New York, New York, not later than 2:00 P.M., New York City time, on the business day prior to the Second Delivery Date.

8. Further Agreements of the Company. The Company agrees:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Securities Act; to make no further amendment or any supplement to the Registration Statement or to the Prospectus except as permitted herein; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Representatives with copies thereof; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) To furnish promptly to each of the Representatives and to counsel for the U.S. Underwriters a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith;

(c) To deliver promptly to the Representatives such number of the following documents as the Representatives shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of earnings per share) and (ii) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus and, if the delivery of a prospectus is required at any time after the Effective Time in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Representatives and, upon their request, to prepare and furnish without charge to each U.S. Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance;

(d) To file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may, in the judgment of the Company or the Representatives, be required by the Securities Act or requested by the Commission;

(e) Prior to filing with the Commission any amendment to the Registration Statement or supplement to the Prospectus or any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Representatives and counsel for the U.S. Underwriters and obtain the consent of the Representatives to the filing;

(f) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 410 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Representatives an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Company, Rule 158);

(g) For a period of three years following the Effective Date, to furnish to the Representatives copies of all materials furnished by the Company to its shareholders and all public reports and all reports and financial statements furnished by the Company to the principal national securities exchange upon which the Common Stock may be listed pursuant to requirements of or agreements with such exchange or to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder;

(h) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Stock for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(i) For a period of 180 days from the date of the Prospectus, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (other than the Stock, the International Stock and shares issued pursuant to employee benefit plans or other employee compensation plans existing on the date hereof or pursuant to currently outstanding options, warrants or rights), or sell or grant options, rights or warrants with respect to any shares of Common Stock (other than the grant of options pursuant to option plans existing on the date hereof), without the prior written consent of Lehman Brothers Inc.; to cause each person that, as of the date of this Agreement (i) is a recordholder of Common

Stock or (ii) has the right to acquire shares of Common Stock upon conversion, reclassification, exchange or exercise of another security, which right will occur or may be fully vested and exercisable within 180 days of this Agreement (excluding the right to acquire shares of Common Stock pursuant to the CTSH All Employee Plan and the CTSH Bonus Share Plan, each as defined in the Prospectus); to furnish to the Representatives, prior to the First Delivery Date, a letter or letters, in form and substance substantially similar to Exhibit A attached hereto (which is substantially identical to Exhibit A to the International Underwriting Agreement);

(j) Prior to filing with the Commission any reports on Form SR pursuant to Rule 463 of the Rules and Regulations, to furnish a copy thereof to the counsel for the U.S. Underwriters and receive and consider its comments thereon, and to deliver promptly to the Representatives a signed copy of each report on Form SR filed by it with the Commission; and

(k) To take such steps as shall be necessary to ensure that neither the Company nor any subsidiary shall become an "investment company" within the meaning of such term under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations of the Commission promulgated thereunder.

9. Further Agreements of the Crown Selling Stockholders. Each Crown Selling Stockholder agrees:

(a) For a period of 180 days from the date of the Prospectus, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (other than the Stock) without the prior written consent of Lehman Brothers Inc.; provided, however, that the foregoing provision shall not apply to transfers, without consideration, of the Common Stock or any securities convertible into, or exercisable or exchangeable for Common Stock, to immediate family members, to trusts established for the benefit of one or more immediate family members, or to trusts established for charitable purposes, provided that, in each case referred to in this proviso, the transferee executes and delivers to Lehman Brothers Inc. an agreement whereby the transferee agrees to be bound by all of the foregoing terms and provisions set forth in this Section 9(a);

(b) That the Stock to be sold by such Crown Selling Stockholder hereunder which is represented by the certificates held in custody for such Crown Selling Stockholder is subject to the interest of the U.S. Underwriters, that the arrangements made by such Crown Selling Stockholder for such custody are to that extent irrevocable, and that the obligations of such Crown Selling Stockholder hereunder shall not be terminated by any act of such Crown Selling

Stockholder, by operation of law, by the death or incapacity of any individual Crown Selling Stockholder or, in the case of a trust, by the death or incapacity of any executor or trustee or the termination of such trust, or the occurrence of any other event; and

(c) To deliver to the Representatives prior to the First Delivery Date a properly completed and executed United States Treasury Department Form W-8 (if such Crown Selling Stockholder is a non-United States person or Form W-9 (if such Crown Selling Stockholder is a United States person).

10. Further Agreements of the Executive Selling Stockholders. Each Executive Selling Stockholder, severally and not jointly, agrees with respect only to such Executive Selling Stockholder:

(a) For a period of 180 days from the date of the Prospectus, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock without the prior written consent of Lehman Brothers, Inc.; provided, however, that on the Second Delivery Date each Executive Selling Stockholder may sell the number of shares of Common Stock listed opposite such Executive Selling Stockholder's name on Schedule 2 hereto to the Underwriters pursuant to Section 5 hereof, it being understood that such number of shares represents an amount not in excess of 12% of such Executive Selling Stockholder's beneficial ownership interest in Common Stock of the Company on a fully diluted basis, as of the date of the Prospectus, after giving effect to the conversion of all shares of the Company's Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock into shares of Common Stock (the "Conversions"), the reclassification of shares of the Company's Class B Common Stock into shares of Common Stock (the "Reclassification") and the Roll-Up.

(b) That the Stock to be sold by such Executive Selling Stockholder hereunder which is represented by the certificates or option exercise notices held in custody for such Executive Selling Stockholder is subject to the interest of the U.S. Underwriters, that the arrangements made by such Executive Selling Stockholder for such custody are to that extent irrevocable, and that the obligations of such Executive Selling Stockholder hereunder shall not be terminated by any act of such Executive Selling Stockholder, by operation of law, by the death or incapacity of such Executive Selling Stockholder or, in the case of a trust, by the death or incapacity of any executor or trustee or the termination of such trust, or the occurrence of any other event.

(c) To deliver to the Representatives prior to the Second Delivery Date a properly completed and executed United States Treasury Department Form W-8 (if such Executive Selling Stockholder is a non-United States person) or Form W-9 (if such Executive Selling Stockholder is a United States person).

11. Further Agreements of the Employee Selling Stockholders. Each Employee Selling Stockholder, severally and not jointly, agrees with respect only to such Employee Selling Stockholder:

(a) For a period of 180 days from the date of the Prospectus, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock without the prior written consent of Lehman Brothers Inc.; provided, however, that on the Second Delivery Date each Employee Selling Stockholder may sell the number of shares of Common Stock listed opposite such Employee Selling Stockholder's name on Schedule 2 hereto to the U.S. Underwriters pursuant to Section 5 hereof, it being understood that such number of shares represents an amount not in excess of 12% of such Employee Selling Stockholder's beneficial ownership interest in Common Stock of the Company on a fully diluted basis as of the date of the Prospectus, after giving effect to the Conversions, the Reclassification and the Roll-Up; provided further, that to the extent the total number of shares listed opposite of any Employee Selling Stockholder's name on Schedule 2 hereto are not sold to the U.S. Underwriters pursuant to Section 5 hereof for any reason, such Employee Selling Stockholder may sell to third parties any shares that could have been sold but were not sold pursuant to Section 5 hereof in compliance with the registration requirements of the Securities Act or pursuant to a valid exemption therefrom.

(b) That the Stock to be sold by such Employee Selling Stockholder hereunder which is represented by the certificates or option exercise notices held in custody for such Employee Selling Stockholder is subject to the interest of the U.S. Underwriters, that the arrangements made by such Employee Selling Stockholder for such custody are to that extent irrevocable, and that the obligations of such Employee Selling Stockholder hereunder shall not be terminated by any act of such Employee Selling Stockholder, by operation of law, by the death or incapacity of such Employee Selling Stockholder or, in the case of a trust, by the death or incapacity of any executor or trustee or the termination of such trust, or the occurrence of any other event.

(c) To deliver to the Representatives prior to the Second Delivery Date a properly completed and executed United States Treasury Department Form W-8 (if such Employee Selling Stockholder is a non-United States person) or Form W-9 (if such Employee Selling Stockholder is a United States person).

12. Further Agreements of the Sponsor Selling Stockholders. Each Sponsor Selling Stockholder, severally and not jointly, agrees with respect only to such Sponsor Selling Stockholder:

(a) For a period of 180 days from the date of the Prospectus, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock without the prior written consent of Lehman Brothers Inc.; provided, however, that on the Second Delivery Date each Sponsor Selling Stockholder may sell the number of shares of Common Stock listed opposite such Sponsor Selling Stockholder's name on Schedule 2 hereto to the U.S. Underwriters pursuant to Section 5 hereof, it being understood that such number of shares represents a pro rata allocation among Sponsor Selling Stockholders of Option Stock in an amount equal to the difference between the total number of Option Stock and the aggregate number of Option Stock sold by the Executive Selling Stockholders and the Employee Selling Stockholders pursuant to Section 5 hereof.

(b) That the Stock to be sold by such Sponsor Selling Stockholder hereunder which is represented by the certificates held in custody for such Sponsor Selling Stockholder is subject to the interest of the U.S. Underwriters, that the arrangements made by such Sponsor Selling Stockholder for such custody are to that extent irrevocable, and that the obligations of such Sponsor Selling Stockholder hereunder shall not be terminated by any act of such Sponsor Selling Stockholder, by operation of law, by the death or incapacity of such Sponsor Selling Stockholder or, in the case of a trust, by the death or incapacity of any executor or trustee or the termination of such trust, or the occurrence of any other event.

(c) To deliver to the Representatives prior to the Second Delivery Date a properly completed and executed United States Treasury Department Form W-8 (if such Sponsor Selling Stockholder is a non-United States person or Form W-9 (if such Sponsor Selling Stockholder is a United States person).

13. Expenses. The Company agrees to pay (a) the costs incident to the authorization, issuance, sale and delivery of the Stock and any taxes payable in connection therewith; (b) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement and any amendments, supplements and exhibits thereto; (c) the costs of distributing the Registration Statement as originally filed and each amendment thereto and any post-effective amendments thereof (including, in each case, exhibits), any Preliminary Prospectus, the Prospectus and any amendment or supplement to the Prospectus, all as provided in this Agreement; (d) the costs of delivering and distributing the Custody Agreement and the Power of Attorney; (e) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of sale of the Stock; (f) any applicable listing

or other fees; (g) the fees and expenses (not in excess, in the aggregate, of $__________) of qualifying the Stock under the securities laws of the several jurisdictions as provided in Section 8(h) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the U.S. Underwriters); (h) all fees and expenses of an independent underwriter; (i) all costs and expenses of the U.S. Underwriters, including the fees and disbursements of counsel for the U.S. Underwriters, incident to the offer and sale of shares of the Stock by the U.S. Underwriters to employees and persons having business relationships with the Company and its subsidiaries; (k) all fees and expenses of Hutchins, Wheeler & Dittmar, counsel to the Sponsor Selling Stockholders, incurred in connection with the Public Offering; and (l) all other costs and expenses incident to the performance of the obligations of the Company and the Selling Stockholders under this Agreement; provided that, except as provided in this Section 13 and in Section 18, the U.S. Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Stock which they may sell and the expenses of advertising any offering of the Stock made by the U.S. Underwriters.

14. Conditions of U.S. Underwriters' Obligations. The respective obligations of the U.S. Underwriters hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties of the Company and the Selling Stockholders contained herein, to the performance by the Company and the Selling Stockholders of their obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 8(a); no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with.

(b) No U.S. Underwriter or International Manager shall have discovered and disclosed to the Company on or prior to such Delivery Date that the Registration Statement or the Prospectus or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Latham & Watkins, counsel for the U.S. Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form, validity, execution and delivery of this Agreement, the International Underwriting Agreement, the Custody Agreement, the Power of Attorney, the Stock, the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the U.S. Underwriters, and the Company and the Selling Stockholders shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Cravath, Swaine & Moore shall have furnished to the Representatives its written opinion, as counsel to the Company, addressed to the U.S. Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) Each of the Company and CCI is a corporation validly existing and in good standing under the laws of the state of its incorporation (which opinion may be based solely on a certificate of the Secretary of State of such state), and the Company has all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus. Each of the Company and CCI is duly registered and qualified to conduct its business and is in good standing (which opinion may be based solely on a certificate of the Secretary of State of such state), in each jurisdiction or place where, based on a certificate of an officer of the Company, the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify or to be in good standing would not have a Material Adverse Effect;

(ii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the shares of Stock being delivered on such Delivery Date) have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof contained in the Prospectus;

(iii) Except as described in the Prospectus, there are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any shares of the Stock pursuant to the Company's charter or by-laws or any agreement or other instrument known to such counsel;

(iv) To knowledge of such counsel, there are no legal or governmental proceedings pending or threatened against the Company or any of the Significant Subsidiaries, or to which any of their respective properties is subject, that are not disclosed in the Prospectus and which are reasonably likely to have a Material Adverse Effect or to materially affect the issuance of the shares of capital stock or the consummation of the transactions contemplated by this Agreement and the Roll-Up. To the knowledge of such counsel, there are no agreements, contracts, indentures, leases or other instruments to which the Company or any of the Significant

Subsidiaries is a party or to which any of their respective properties or assets is subject that are required to be described in, or filed as exhibits to, the Registration Statement and the Prospectus that have not been so described or filed;

(v) The Registration Statement was declared effective under the Securities Act as of the date and time specified in such opinion, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) of the Rules and Regulations specified in such opinion on the date specified therein and no stop order suspending the effectiveness of the Registration Statement has been issued and, to the knowledge of such counsel, no proceeding for that purpose is pending or threatened by the Commission;

(vi) The Registration Statement and the Prospectus and any further amendments or supplements thereto made by the Company prior to such Delivery Date (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Securities Act and the Rules and Regulations;

(vii) The statements contained (A) in the Prospectus under the captions "Description of Capital Stock", "Shares Eligible for Future Sale", "Certain United States Federal Tax Consequences to Non-United States Holders" and paragraphs 1, 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 under the caption "Underwriting" and (B) in the Registration Statement in Items 14 and 15, in each case insofar as they are descriptions of contracts, agreements or other legal documents, or refer to statements of law or legal conclusions, are accurate in all material respects and present fairly the information purported to be described therein;

(viii) This Agreement and the International Underwriting Agreement have each been duly and validly authorized, executed and delivered by the Company and CCI;

(ix) None of the issuance, offer or sale of the shares of Common Stock, the execution, delivery or performance by the Company of this Agreement and the International Underwriting Agreement, compliance by the Company with the provisions hereof nor consummation by the Company of the transactions contemplated hereby and in the Roll-Up (i) requires any consent, approval, authorization or other order of, or registration or filing with, any court, regulatory body, administrative agency or other governmental body, agency or official, or conflicts or will conflict with or constitutes or will constitute a breach of, or a default under, the certificate of incorporation or by-laws or other organizational documents of the Company or (ii) conflicts or will conflict with or constitutes or will constitute a breach of, or a default under, any agreement filed as an exhibit to, or incorporated by reference in, the Registration Statement (the "Material Agreements"), or violates or will violate any law, rule or regulation of the United States, or the State of New York or the General Corporation Law of the State of Delaware, or, to such counsel's knowledge, any order or decree of any court or government agency or instrumentality or will result in the creation or imposition of any Lien upon any property or assets of the Company or CCI pursuant to the terms of any agreement or instrument to which any of them is a party or by which any of them may be bound or under any to which any of their respective property or assets is subject, except in each case such breaches, conflicts or defaults that, individually or in the aggregate, would not have a Material Adverse Effect. For purposes of the foregoing opinion, such counsel may assume that any agreements referred to in clause (ii) above that are governed by laws other than the laws of the State of New York, are governed by and would be interpreted in accordance with the laws of the State of New York; and

(x) The Company is not and, upon sale of the shares of Common Stock to be issued and sole thereby in accordance herewith and the application of the net proceeds to the Company of such sale as described in the Prospectus under the caption "Use of Proceeds," will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

In addition, such counsel shall also state that such counsel has participated in conferences with officers of the Company and with the independent public accountants for the Company, concerning the preparation of the Registration Statement and the Prospectus, and, although such counsel has made certain inquiries and investigations in connection with the preparation of the Registration Statement and the Prospectus, it is not passing upon and does not assume any responsibility for the accuracy or completeness of the statements contained in the Registration Statement and the Prospectus, and has not made any independent check or verification thereof, except insofar as such statements relate to such counsel and to clause (xii) above, and on the basis of the foregoing such counsel's work in connection with this matter did not disclose any information that gave such counsel reason to believe that the Registration Statement and the Prospectus, as of its date or as of the Closing Date, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no belief or opinion with respect to the financial statements and other financial data included therein).

The opinion of such counsel may be limited to the laws of the state of New York, the General Corporation Law of the state of Delaware and the Federal laws of the United States.

(e) Brown, Parker & Leahy, L.L.P. shall have furnished to the Representatives its written opinion, as counsel to the Company, addressed to the U.S. Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) All of the issued shares of capital stock of each Subsidiary of the Company have been duly and validly authorized and issued and are fully paid, non-assessable and (except for directors' qualifying shares and as described in the Prospectus with respect to CTI) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(ii) To knowledge of such counsel, there are no legal or governmental proceedings pending or threatened against the Company or any of the Significant Subsidiaries, or to which any of their respective properties is subject, that are not disclosed in the Prospectus and which are reasonably likely to have a Material Adverse Effect or to materially affect the issuance of the shares of capital stock or the consummation of the transactions contemplated by this Agreement and the Roll-Up;

(iii) To the knowledge of such counsel, except as described in the Prospectus there are no contracts, agreements or understandings between the Company or any of the Significant Subsidiaries and any person granting such person the right to require the Company or any of the Significant Subsidiaries to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company or any of the Significant Subsidiaries to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company or any of the Significant Subsidiaries under the Securities Act; and

(iv) The Senior Credit Facility has been duly and validly authorized, executed and delivered by CCI and CCIC (PR) and assuming due authorization, execution and delivery by the other parties thereto, constitutes the valid and binding agreement of CCI and CCIC (PR), enforceable against CCI and CCIC (PR) in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding in equity or at law).

The opinion of such counsel may be limited to the laws of the state of Texas, the state of New York, the General Corporation Law of the state of Delaware and the Federal laws of the United States.

(f) The counsel for each of the Crown Selling Stockholders shall have furnished to the Representatives its written opinion, as counsel to such Selling Stockholder, addressed to the U.S. Underwriters and dated the First Delivery Date, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) Such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement; the execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such actions result in any violation of any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder; and, except for the registration of the Stock under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the U.S. Underwriters and the International Managers, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the Power of Attorney or the Custody Agreement by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby;

(ii) This Agreement has each been duly executed and delivered by or on behalf of such Selling Stockholder;

(iii) A Power-of-Attorney and a Custody Agreement have been duly executed and delivered by such Selling Stockholder and constitute valid and binding agreements of such Selling Stockholder, enforceable in accordance with their respective terms;

(iv) Such Selling Stockholder has full right, power and authority to sell, assign, transfer and deliver the shares to be sold by such Selling Stockholder hereunder; and

(v) Upon physical delivery of the certificates representing the shares of Stock to be sold by such Selling Stockholder under this Agreement to the U.S. Underwriters in the State of New York with undated stock powers duly endorsed in blank, and upon payment therefor in accordance with the terms of this Agreement, the U.S. Underwriters will become the "protected purchasers" (as defined in Section 8-303(a) of the New York UCC) of such shares, free of any "adverse claim" (as defined in Section 8-102(a)(1) of the New York UCC), assuming that the U.S. Underwriters do not have notice of any adverse claim to such shares.

In rendering such opinion, such counsel may (i) state that its opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the Commonwealth of Pennsylvania and the General Corporation Law of the State of Delaware and that such counsel is not admitted in the State of New York (with all New York law opinions being based upon the assumption that the laws of the State of New York and the laws of the Commonwealth of Pennsylvania are identical in all material respects) and (ii) in rendering the opinions in Section 14(f)(i) and (iv) above, rely upon a certificate of such Selling Stockholder in respect of matters of fact as to ownership of and liens, encumbrances, equities or claims on the shares of Stock sold by such Selling Stockholder, provided that such counsel shall furnish copies thereof to the Representatives and state that they believe that both the U.S. Underwriters and they are justified in relying upon such certificate.

(g) The counsel for each Executive Selling Stockholder and each Employee Selling Stockholder shall have furnished to the Representatives its written opinion, as counsel to such Selling Stockholder, addressed to the U.S. Underwriters and dated the Second Delivery Date, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) Such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement; the execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such actions result in any violation of any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder; and, except for the registration of the Stock under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the U.S. Underwriters, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the Power of Attorney or the Custody Agreement by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby;

(ii) This Agreement has been duly executed and delivered by or on behalf of such Selling Stockholder;

(iii) A Power-of-Attorney and a Custody Agreement have been duly executed and delivered by such Selling Stockholder and constitute valid and binding agreements of such Selling Stockholder, enforceable in accordance with their respective terms;

(iv) Immediately prior to the Second Delivery Date, such Selling Stockholder had full right, power and authority to sell, assign, transfer and deliver such shares to be sold by such Selling Stockholder hereunder; and

(v) Good and valid title to the shares of Stock to be sold by such Selling Stockholder under this Agreement, free and clear of all liens, encumbrances, equities or claims, has been transferred to each of the several U.S. Underwriters.

In rendering such opinion, such counsel may (i) state that its opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the State of Texas and the General Corporation Law of the State of Delaware and that such counsel is not admitted in the State of New York and (ii) in rendering the opinion in Section 14(g)(iv) above, rely upon a certificate of such Selling Stockholder in respect of matters of fact as to ownership of and liens, encumbrances, equities or claims on the shares of Stock sold by such Selling Stockholder, provided that such counsel shall furnish copies thereof to the

Representatives and state that they believe that both the U.S. Underwriters and they are justified in relying upon such certificate.

(g) The counsel for each Sponsor Selling Stockholder shall have furnished to the Representatives its written opinion, as counsel to such Sponsor Selling Stockholder, addressed to the U.S. Underwriters and dated the Second Delivery Date, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) This Agreement has each been duly executed and delivered by or on behalf of such Sponsor Selling Stockholder;

(ii) A Power-of-Attorney and a Custody Agreement have been duly executed and delivered by such Sponsor Selling Stockholder and constitute valid and binding agreements of such Sponsor Selling Stockholder, enforceable in accordance with their respective terms; and

(iii) The delivery by each Sponsor Selling Stockholder to the several U.S. Underwriters of certificates for the shares of Common Stock being sold under this Agreement, with due endorsement for transfer by such Sponsor Selling Stockholder, against payment therefor in accordance with this Agreement, has transferred valid title to such shares of Stock, free and clear of all adverse claims, to each of the several U.S. Underwriters, assuming that the U.S. Underwriters are without actual notice of any adverse claim.

In rendering such opinion, such counsel may (i) state that its opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the Commonwealth of Massachusetts and the General Corporation Law of the State of Delaware and that such counsel is not admitted in the State of New York.

(i) The Representatives shall have received an opinion, dated the First Delivery Date, of Norton Rose, English counsel for Castle Transmission Services (Holdings) Ltd., substantially in the form of Exhibit B hereto.

(j) The Representatives shall have received from Latham & Watkins, counsel for the U.S. Underwriters, such opinion or opinions, dated such Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(k) At the time of execution of this Agreement, the Representatives shall have received from KPMG Peat Marwick LLP a letter, in form and substance satisfactory to the Representatives, addressed to the U.S. Underwriters and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to U.S. Underwriters in connection with registered public offerings.

(l) With respect to the letter of KPMG Peat Marwick LLP referred to in the preceding paragraph and delivered to the Representatives concurrently with the execution of this Agreement (the "initial letter"), the Company shall have furnished to the Representatives a letter (the "bring-down letter") of such accountants, addressed to the U.S. Underwriters and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(m) The Company shall have furnished to the Representatives a certificate, dated such Delivery Date, of its Chief Executive Officer or President and its Chief Financial Officer stating that:

(i) The representations, warranties and agreements of the Company in Section 1 are true and correct as of such Delivery Date; the Company has complied with all its agreements contained herein; none of the events described in clause (i) or (ii) of Section 14(q) have occurred or identifying all such events as have occurred; and the conditions set forth in Sections 14(a) and 14(t) have been fulfilled; and

(ii) They have carefully examined the Registration Statement and the Prospectus and, in their opinion (A) as of the Effective Date, the Registration Statement and Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the Effective Date no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement or the Prospectus.

(n) Each of the Crown Selling Stockholders (or the Custodian or one or more attorneys-in-fact on behalf of each of the Crown Selling Stockholders) shall have furnished to the Representatives on the First Delivery Date a certificate, dated the First Delivery Date, signed by, or on behalf of, each of the Crown Selling Stockholders (or the Custodian or one or more attorneys-in-fact) stating that the representations, warranties and agreements of each of the Crown Selling Stockholders contained herein are true and correct as of the First Delivery Date and that each of the Crown Selling Stockholders has complied with all agreements contained herein to be performed by each of the Crown Selling Stockholders at or prior to the First Delivery Date.

(o) Each Option Selling Stockholder (or one or more attorneys-in-fact on behalf of such Selling Stockholder), shall have furnished to the Representatives on the Second Delivery Date a certificate, dated the Second Delivery Date, signed by, or on behalf of, such Selling Stockholder (or the Custodian or one or more attorneys-in-fact) stating that the representations, warranties and agreements of such Selling Stockholder contained herein are true and correct as of the Second Delivery Date and that such Selling Stockholder has complied with all agreements contained herein to be performed by such Selling Stockholder at or prior to the Second Delivery Date.

(p) The Company shall have furnished to the Representatives a certificate, substantially in the Form of Exhibit C hereto, dated the First Delivery Date, of its Chief Financial Officer with respect to certain data of the Company set forth in the Prospectus.

(q) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations, business or prospects of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(r) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) of the Rules and Regulations and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's securities.

(s) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange or the American Stock Exchange or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of a majority in interest of the several U.S. Underwriters, impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(t) The NASDAQ National Market System shall have approved the Stock for inclusion, subject only to official notice of issuance and evidence of satisfactory distribution.

(u) CTI and CTSH shall have received from Credit Suisse First Boston, as arranger and agent, and J.P. Morgan Securities Ltd., as co-arranger, and from each lender under the Loan Amendment Agreement dated May 21, 1997, an irrevocable consent and waiver to certain changes of control provisions of such agreement as applicable to the Roll-Up, and the Company shall provide a copy of such consent and waiver to the Representatives.

(v) The Company shall have concluded the Stock Split and the Conversions and shall have reclassified all shares of Class B Common Stock as Common Stock (each as defined in the Prospectus).

(w) The Company shall have delivered to the Representatives copies of the Governance Agreement, the Stockholders Agreement, the CTSH Shareholders' Agreement and the CTI Services Agreement (each as defined in the Prospectus) executed and delivered by all parties thereto.

(x) The Company shall have delivered to the Representatives copies of written documentation evidencing (i) the ruling of the FCC under Section 310(b)(4) of the Communications Act of 1934, as amended, permitting up to 49.9% foreign ownership of the Company, at least 25% of which will be from World Trade Organization member nations.

(y) The Representatives shall have received from each stockholder of the Company an executed letter in the form of Exhibit A pursuant to Section 8(i) hereto.

(z) The Representatives shall have received a copy of the executed Custody Agreement and Power of Attorney from each Selling Stockholder.

(aa) The closing under the International Underwriting Agreement shall have occurred concurrently with the closing hereunder on the First Delivery Date.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the U.S. Underwriters.

15. Indemnification and Contribution.

(a) The Company, the Crown Selling Stockholders and the Executive Selling Stockholders, jointly and severally, shall indemnify and hold harmless each U.S. Underwriter, its officers and employees and each person, if any, who controls any U.S. Underwriter within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that U.S. Underwriter, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any breach of the representations and warranties of such Crown Selling Stockholder or Executive Selling Stockholder, as the case may be, contained herein, (ii) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto, (iii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading or (iv) any act or failure to act or any alleged act or failure to act by any U.S. Underwriter in connection with, or relating in any manner to, the Stock or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (ii) or (iii) above (provided that the Company, the Crown Selling Stockholders and the Executive Selling Stockholders shall not be liable under this clause (iv) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such U.S. Underwriter through its gross negligence or willful misconduct), and shall reimburse each U.S. Underwriter and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that U.S. Underwriter, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company, the Crown Selling Stockholders and the Executive Selling Stockholders shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any such amendment or supplement, in reliance upon and in conformity with written information concerning such U.S. Underwriter furnished to the Company through the Representatives by or on behalf of any U.S. Underwriter specifically for inclusion therein; provided further that neither the Company nor any Crown Selling Stockholder or Executive Selling Stockholder shall be liable to any U.S. Underwriter under the indemnity agreement in this paragraph 15(a) with respect to any Preliminary Prospectus to the extent that any such loss, claim, damage or liability of such U.S. Underwriters results from the fact that such U.S. Underwriter sold shares of Common Stock to a person as to whom there was not sent or given, at or prior to written confirmation of such sale, a copy of the Prospectus as then amended or supplemented if the Company had previously furnished copies thereof in the quantity requested and in a timely manner in accordance with Section 8(c) hereof to such U.S. Underwriter and the loss, claim, damage or liability of such U.S. Underwriter results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus and corrected in the Prospectus as amended or supplemented. Notwithstanding the foregoing provisions, the indemnity and contribution obligations of the Crown Selling Stockholders and the Executive Selling Stockholders shall be subject to the following additional limitations: (i) the U.S. Underwriters shall pursue and satisfy any and all claims arising under this Agreement or otherwise (collectively, "Claims") by seeking recovery from the Company prior to pursuing any Claim against the Crown Selling Stockholders or the Executive Selling Stockholders, and the U.S. Underwriters shall thereafter be entitled to pursue any remaining unsatisfied Claims by seeking recovery from the Crown Selling Stockholders and the Executive Selling Stockholders only following the Company's failure to satisfy in full the Claims as a result of the Company's insolvency, bankruptcy or liquidation; (ii) the aggregate amount of any Selling Stockholder's indemnity and contribution obligations under this paragraph 15(a) shall not exceed the net cash proceeds received by such Selling Stockholder from its sale of Stock in the offering after reduction for (A) taxes, (B) underwriting commissions and discounts, (C) other fees and expenses incurred by such Selling Stockholder relating to the offering, including legal and financial advisory fees, and (D) the aggregate amount of any and all direct and indirect costs or expenses incurred by such Selling Stockholder in defense or settlement of any other claim against it relating or attributable to the offering or the sale of shares of Stock by such Selling Stockholder thereunder, including without limitation claims under the Act; and (iii) the Crown Selling Stockholders and the Executive Selling Stockholders shall be liable under this paragraph 15(a) solely with respect to any untrue statement of material fact contained in the Registration Statement and the Prospectus which was actually known by such Selling Stockholder as of the date of the Registration Statement or Prospectus (or such amendment or supplement thereto) to be untrue, or any omission to state a material fact which was actually known by such Selling Stockholder as of the date of the Registration Statement or Prospectus (or such amendment or supplement thereto) to be necessary to make the statements contained in the Registration Statement or Prospectus (or such amendment or supplement thereto) in the light of the circumstances under which they were made, not misleading as of the date of the Registration Statement or Prospectus (or such amendment or supplement thereto). The provisions of this Section 15 shall constitute the sole and exclusive remedy available to the U.S. Underwriters with respect to any claims against the Crown Selling Stockholders and the Executive Selling Stockholders relating to the offering or sale of shares by such Selling Stockholders hereunder.

(b) Each Employee Selling Stockholder and each Sponsor Selling Stockholder, severally and not jointly, shall indemnify and hold harmless each U.S. Underwriter, its officers and employees, and each person, if any, who controls any U.S. Underwriter within the meaning of the Securities Act, from and against any loss, claim, damage or liability, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that U.S. Underwriter, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any breach of the representations and warranties of such Employee Selling Stockholder or Sponsor Selling Stockholder, as the case may be, contained herein, (ii) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (iii) the omission or alleged omission to state in any Preliminary Prospectus, Registration Statement or the Prospectus, or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission relates to information provided to the Company or the Representatives in writing by such Selling Stockholder specifically for use in the Registration Statement, the Preliminary Prospectus or the Prospectus or to any breach of the representations and warranties made by such Employee Selling Stockholder or such Sponsor Selling Stockholder in Section 4 of this Agreement; and shall reimburse each U.S. Underwriter, its officers and employees and each such controlling person for any legal or other expenses reasonably incurred by that U.S. Underwriter, its officers and employees or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that such Employee Selling Stockholder or such Sponsor Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any such amendment or supplement in reliance upon and in conformity with written information concerning such U.S. Underwriter furnished to the Company through the Representatives by or on behalf of any U.S. Underwriter specifically for inclusion therein.; provided further that no Employee Selling Stockholder or Sponsor Selling Stockholder shall be liable to any U.S. Underwriter under the indemnity agreement in this paragraph 15(a) with respect to any Preliminary Prospectus to the extent that any such loss, claim, damage or liability of such U.S. Underwriters results from the fact that such U.S. Underwriter sold shares of Common Stock to a person as to whom there was not sent or given, at or prior to written confirmation of such sale, a copy of the Prospectus as then amended or supplemented if the Company had previously furnished copies thereof in the quantity requested and in a timely manner in accordance with Section 8(c) hereof to such U.S. Underwriter and the loss, claim, damage or liability of such U.S. Underwriter results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus and corrected in the Prospectus as amended or supplemented. The foregoing indemnity agreement constitutes the sole and exclusive remedy available to the U.S. Underwriters with respect to any claims against the Employee Selling Stockholders and the Sponsor Selling Stockholders relating to the offering or sale of Shares by such Selling Stockholders hereunder.

(c) Each U.S. Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, its officers who sign the Registration Statement, each of its directors (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company), and each person, if any, who controls the Company within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such U.S. Underwriter furnished to the Company through the Representatives by or on behalf of that U.S. Underwriter specifically for inclusion therein, and shall reimburse the Company and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any U.S. Underwriter may otherwise have to the Company or any such director, officer, employee or controlling person.

(d) Promptly after receipt by an indemnified party under this Section 15 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 15, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 15 except to the extent it has been materially prejudiced by such failure and, provided further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 15. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 15 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have in good faith reasonably concluded that there may be defenses available to it which are different from or additional to those available to the indemnifying party or if the interests of the indemnified party may be deemed to conflict with the interests of the indemnifying party, the indemnified party shall have the right to select a separate counsel in the defense of such action, with the expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the indemnifying party as incurred, provided further that in no event shall the foregoing proviso require the indemnifying party to bear the fees and expenses of more than one separate counsel to represent jointly each of (i) the Representatives and those other U.S. Underwriters and their respective officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought under this Section 15, (ii) the Company and its Subsidiaries, (iii) the Crown Selling Stockholders, (iv) the Executive Selling Stockholders, (v) the Employee Selling Stockholders and (vi) the Sponsor Selling Stockholders. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 15.

(e) If the indemnification provided for in this Section 15 shall for any reason be unavailable to or insufficient (other than by reason of the exceptions provided therein) to hold harmless an indemnified party under Section 15(a), 15(b) or 15(c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders and the

Sponsor Selling Stockholders on the one hand and the U.S. Underwriters on the other from the offering of the Stock or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders and the Sponsor Selling Stockholders on the one hand and the U.S. Underwriters on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders or the Sponsor Selling Stockholders, on the one hand and the U.S. Underwriters on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders or the Sponsor Selling Stockholders, on the one hand, and the total underwriting discounts and commissions received by the U.S. Underwriters with respect to the shares of the Stock purchased under this Agreement, on the other hand, bear to the total gross proceeds from the offering of the shares of the Stock under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders, the Sponsor Selling Stockholders or the U.S. Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders, the Sponsor Selling Stockholders and the U.S. Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 15 were to be determined by pro rata allocation (even if the U.S. Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 15 shall be deemed to include, for purposes of this Section 15(e), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 15(e), no U.S. Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Stock underwritten by it and distributed to the public was offered to the public exceeds the amount of any damages which such U.S. Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No Selling Stockholder will be required to contribute any amount in excess of the proceeds received by such person in respect of all shares of Stock offered and sold by it pursuant to the Registration Statement and no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The U.S. Underwriters' obligations to contribute as provided in this Section 15(e) are several in proportion to their respective underwriting obligations and not joint.

(f) The U.S. Underwriters severally confirm and the Company acknowledges that (i) the last paragraph on the cover page of the Prospectus, (ii) the stabilization legend at the top of page i of the Prospectus and (iii) the fourth, ninth, tenth, eleventh, and twenty-second paragraphs and the first sentence of the thirteenth paragraph under the caption "Underwriting" in the Prospectus constitute the only information concerning such U.S. Underwriters furnished in writing to the Company by or on behalf of the U.S. Underwriters specifically for inclusion in the Registration Statement and the Prospectus.

(g) As used herein, the phrase "actual knowledge" means, with respect to any natural person, the knowledge of such person and, with respect to any other person, the knowledge of any natural person exercising control (whether by ownership or management) over such person, and shall not imply any duty to investigate or be deemed to include any knowledge that might have become actually known following investigation. The phrase "actually known" shall have a correlative meaning.

16. Defaulting U.S. Underwriters.

If, on either Delivery Date, any U.S. Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting U.S. Underwriters shall be obligated to purchase the Firm Stock which the defaulting U.S. Underwriter agreed but failed to purchase on such Delivery Date in the respective proportions which the number of shares of the Firm Stock set opposite the name of each remaining non-defaulting U.S. Underwriter in Schedules 1 and 2 hereto bears to the total number of shares of the Firm Stock set opposite the names of all the remaining non-defaulting U.S. Underwriters in Schedules 1 and 2 hereto; provided, however, that the remaining non-defaulting U.S. Underwriters shall not be obligated to purchase any of the Stock on such Delivery Date if the total number of shares of the Stock which the defaulting U.S. Underwriter or U.S. Underwriters agreed but failed to purchase on such date exceeds 9.9% of the total number of shares of the Stock to be purchased on such Delivery Date, and any remaining non-defaulting U.S. Underwriter shall not be obligated to purchase more than 110% of the number of shares of the Stock which it agreed to purchase on such Delivery Date pursuant to the terms of Section 7. If the foregoing maximums are exceeded, the remaining non-defaulting U.S. Underwriters, or those other U.S. Underwriters satisfactory to the

Representatives who so agree, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Stock to be purchased on such Delivery Date. If the remaining U.S. Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the shares which the defaulting U.S. Underwriter or U.S. Underwriters agreed but failed to purchase on such Delivery Date, this Agreement (or, with respect to the Second Delivery Date, the obligation of the U.S. Underwriters to purchase, and of the Executive Selling Stockholders, the Employee Selling Stockholders and the Sponsor Selling Stockholders to sell, the Option Stock) shall terminate without liability on the part of any non-defaulting U.S. Underwriter or the Company or the Selling Stockholders, except that the Company will continue to be liable for the payment of expenses to the extent set forth in Sections 13 and 18. As used in this Agreement, the term "U.S. Underwriter" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedules 1 and 2 hereto who, pursuant to this Section 16, purchases Firm Stock which a defaulting U.S. Underwriter agreed but failed to purchase.

Nothing contained herein shall relieve a defaulting U.S. Underwriter of any liability it may have to the Company and the Selling Stockholders for damages caused by its default. If other U.S. Underwriters are obligated or agree to purchase the Stock of a defaulting or withdrawing U.S. Underwriter, either the Representatives or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes that, in the opinion of counsel for the Company or counsel for the U.S. Underwriters, may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement.

17. Termination. The obligations of the U.S. Underwriters hereunder may be terminated by the Representatives by notice given to and received by the Company and the Selling Stockholders prior to delivery of and payment for Firm Stock if, prior to that time, any of the events described in Sections 14(q), 14(r) or 14(s) shall have occurred or if the U.S. Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement.

18. Reimbursement of U.S. Underwriters' Expenses. If the Company or any of the Selling Stockholders shall fail to tender the Stock for delivery to the U.S. Underwriters by reason of any failure, refusal or inability on the part of the Company or any Selling Stockholder to perform any agreement on its part to be performed, or because any other condition of the U.S. Underwriters' obligations hereunder required to be fulfilled by the Company or the Selling Stockholders is not fulfilled, the Company or any such defaulting Selling Stockholder(s), as the case may be, will severally and not jointly, in proportion to the shares of Stock to be sold by the Company or such defaulting Selling Stockholder(s) hereunder, reimburse the U.S. Underwriters for all reasonable out-of-pocket expenses (including fees and disbursements of counsel) incurred by the U.S. Underwriters in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company or such defaulting Selling Stockholder(s), as the case may be, shall pay the full amount thereof to the Representatives. Neither the Company nor any Selling Stockholder shall have the liability to any of the U.S. Underwriters for damages on account of loss of anticipated profits from the proposed sale by them of the Stock.

19. Notices, etc. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the U.S. Underwriters, shall be delivered or sent by mail, telex or facsimile transmission to Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (Fax: 212-526-6588), with a copy, in the case of any notice pursuant to Section 15(d), to the Director of Litigation, Office of the General Counsel, Lehman Brothers Inc., Three World Financial Center, 10th Floor, New York, NY 10285;

(b) if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Charles C. Green, III, (Fax: (713) 570-3150), with a copy to Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019, Attention: Stephen L. Burns (Fax: (212) 474-3700);

(c) if to any Selling Stockholder, shall be delivered or sent by mail, telex or facsimile transmission to such Selling Stockholder at the address set forth in the Custody Agreement executed by such Selling Shareholder, with a copy (a) in the case of any Crown Selling Stockholder, to Kirkpatrick & Lockhart, 1500 Oliver Building, Pittsburgh, Pennsylvania 15222, Attention: Jerry Owens (Fax: (412) 355-6501), (b) in the case of any Executive Selling Stockholder or Employee Selling Stockholder, to Brown, Parker & Leahy, L.L.P., 3600 Two Allen Center, 1200 Smith Street, Houston, Texas 77002, Attention: E. Blake Hawk (Fax: (713) 654-1871) or (c) in the case of any Sponsor Selling Stockholder, to Hutchins, Wheeler & Dittmar, 101 Federal Street, Boston, Massachusetts 02110, Attention: Harry A. Hanson, III (Fax: (617) 951-1295);

provided, however, that any notice to an U.S. Underwriter pursuant to Section 15(d) shall be delivered or sent by mail, telex or facsimile transmission to such U.S. Underwriter at its address set forth in its acceptance telex to the Representatives, which address will be supplied to any other party hereto by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and the Selling Stockholders shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the U.S. Underwriters by Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co., and Smith Barney Inc. and the Company and the U.S. Underwriters shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Selling Stockholders by their respective Custodians.

20. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the U.S. Underwriters, the Company and the Selling Stockholders and their respective personal representatives and successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (A) the representations, warranties, indemnities and agreements of the Company and the Selling Stockholders contained in this Agreement shall also be deemed to be for the benefit of the person

or persons, if any, who control any U.S. Underwriter within the meaning of Section 17 of the Securities Act and for the benefit of each International Manager (and controlling persons thereof) who offers or sells any shares of Common Stock in accordance with the terms of the Agreement Between U.S. Underwriters and International Managers and (B) the indemnity agreement of the U.S. Underwriters contained in Section 15(c) of this Agreement shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 17 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 20, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

21. Survival. The respective indemnities, representations, warranties and agreements of the Company, the Selling Stockholders and the U.S. Underwriters contained in this Agreement or made by or on behalf on them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

22. Definition of the Terms "Business Day" and "Subsidiary". For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) "subsidiary" has the meaning set forth in Rule 405 of the Rules and Regulations.

23. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK WITHOUT GIVING EFFECT TO ANY PROVISIONS RELATING TO CONFLICTS OF LAW.

24. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

25. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement among the Company, the Crown Selling Stockholders, the Executive Selling Stockholders, the Employee Selling Stockholders, the Sponsor Selling Stockholders and the U.S. Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

Crown Castle International Corp.

By:___________________________________
Name:_____________________________
Title:

Robert A. Crown

By:___________________________________
Name: ____________________________
Attorney-In-Fact

Barbara A. Crown

By:___________________________________
Name: ____________________________
Attorney-In-Fact

Robert A. Crown and PNC Bank, Delaware, as trustees for the Robert A. Crown Grantor Retained Annuity Trust

By:___________________________________
Name: ____________________________
Attorney-In-Fact

By:___________________________________
Name: ____________________________
Attorney-In-Fact

Barbara A. Crown and PNC Bank, Delaware, as trustees for the Barbara A. Crown Grantor Retained Annuity Trust

By:_________________________________
Name: ___________________________
Attorney-In-Fact

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Ted B. Miller, Jr.

By:_________________________________
Name: ___________________________
Attorney-In-Fact

David L. Ivy

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Charles C. Green, III

By:_________________________________
Name: ___________________________
Attorney-In-Fact

John L. Gwyn

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Edward C. Hutcheson, Jr.

By:_________________________________
Name: ___________________________
Attorney-In-Fact

J. Landis Martin

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Robert F. McKenzie

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Tod Bettenhausen

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Kathy Broussard

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Bill Cordell

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Wesley D. Cunningham

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Angela Dennehy

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Allyn Easter

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Martin Ellen

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Alan Rees

By:_________________________________
Name: ___________________________
Attorney-In-Fact

George Reese

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Michael Schueppert

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Jimmy Taylor

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Nigel Turner

By:_________________________________
Name: ___________________________
Attorney-In-Fact

Mark Uminski

By: ________________________________
Name: __________________________
Attorney-In-Fact

Ed Wallander

By: ________________________________
Name: __________________________
Attorney-In-Fact

John Ward

By: ________________________________
Name: __________________________
Attorney-In-Fact

Terry Wing

By: ________________________________
Name: __________________________
Attorney-In-Fact

Centennial Fund IV, L.P.

By: ________________________________
Name: __________________________
Attorney-In-Fact

Centennial Fund V, L.P.

By: ________________________________
Name: __________________________
Attorney-In-Fact

Centennial Entrepreneurs Fund V, L.P.

By: ________________________________
Name: __________________________
Attorney-In-Fact

Nassau Capital Partners II, L.P.

By: ________________________________
    Name: __________________________
    Attorney-In-Fact

NAS Partners I, L.L.C.

By: ________________________________
    Name: __________________________
    Attorney-In-Fact

American Home Assurance Company

By: ________________________________
    Name: __________________________
    Attorney-In-Fact

Harvard Private Capital Holding Inc.

By: ________________________________
    Name: __________________________
    Attorney-In-Fact

Fay, Richwhite Communications Limited

By: ________________________________
    Name: __________________________
    Attorney-In-Fact

New York Life Insurance Company

By: ________________________________
    Name: __________________________
    Attorney-In-Fact

The Northwestern Mutual Life Insurance
Company

By: ______________________________
Name: _________________________
Attorney-In-Fact

PNC Venture Corp.

By: ______________________________
Name: _________________________
Attorney-In-Fact

Prime VIII, L.P.

By: ______________________________
Name: _________________________
Attorney-In-Fact

Win J. Neuger

By: ______________________________
Name: _________________________
Attorney-In-Fact

David B. Pinkerton

By: ______________________________
Name: _________________________
Attorney-In-Fact

Peter F. Smith

By: ______________________________
Name: _________________________
Attorney-In-Fact

Accepted:

Lehman Brothers Inc.
Credit Suisse First Boston Corporation
Goldman, Sachs & Co.
Smith Barney Inc.

For themselves and as Representatives
of the several U.S. Underwriters named
in Schedule 1 hereto

By Lehman Brothers Inc.

By: ___________________________
Name:
Title:

SCHEDULE 1

U.S. Underwriters	Number of Shares
Lehman Brothers Inc.	
Credit Suisse First Boston Corporation.........................	
Goldman, Sachs & Co.	
Smith Barney Inc.	
Total..	25,000,000

SCHEDULE 2

CROWN SELLING STOCKHOLDERS	NUMBER OF SHARES
Robert A. Crown	1,744,875
Barbara A. Crown	1,744,875
Robert A. Crown and PNC Bank, Delaware as Trustees of the Robert A. Crown Grantor Retained Annuity Trust	130,125
Barbara A. Crown and PNC Bank, Delaware, as Trustees of the Barbara A. Crown Grantor Retained Annuity Trust	130,125
Total	3,750,000

EXECUTIVE SELLING STOCKHOLDERS	
Ted B. Miller, Jr	480,535
David L. Ivy	174,600
Charles C. Green, III	142,800
John L. Gwyn	57,300
Edward C. Hutcheson, Jr	78,000
J. Landis Martin	101,285
Robert F. McKenzie	23,700
Total	1,058,220

EMPLOYEE SELLING STOCKHOLDERS	
Tod Bettenhausen	27,000
Kathy Broussard	16,800
Bill Cordell	22,000
Wesley D. Cunningham	17,395
Angela Dennehy	25,245
Allyn Easter	21,000
Martin Ellen	25,245
Alan Rees	69,215
George Reese	110,400
Michael Schueppert	22,730
Jimmy Taylor	15,000
Nigel Turner	25,245
Mark Uminski	15,000
Ed Wallander	18,000
John Ward	25,245
Terry Wing	24,430
Total	479,950

Sponsor Selling Stockholders

Centennial Fund IV, L.P.	476,183
Centennial Fund V, L.P.	297,849
Centennial Entrepreneurs Fund V, L.P.	9,213
Nassau Capital Partners II, L.P.	401,985
NAS Partners I, L.L.C.	2,500
American Home Assurance Company	220,875
Harvard Private Capital Holding Inc.	172,360
Fay, Richwhite Communications Limited	222,465
New York Life Insurance Company	84,415
The Northwestern Mutual Life Insurance Company	132,955
PNC Venture Corp.	159,465
Prime VIII, L.P.	65,590
Win J. Neuger	670
David B. Pinkerton	270
Peter F. Smith	400
Total	2,247,195

Exhibit A

Lock-up Agreement

August __, 1998

Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, Texas 77057

Lehman Brothers Inc.
Credit Suisse First Boston Corporation
Goldman, Sachs & Co.
Smith Barney Inc.
As Representatives of the
several U.S. Underwriters
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Lehman Brothers International (Europe)
Credit Suisse First Boston (Europe) Limited
Goldman, Sachs International
Smith Barney Inc.
As Representatives of the several
International Managers
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Ladies and Gentlemen:

The undersigned understands that Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co., and Smith Barney Inc., as the U.S. representatives of the several U.S. underwriters and Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc., as the lead managers (together with the U.S. representatives, the "Representatives") of the several International Managers (together with the U.S. underwriters, the "Underwriters"), propose to enter into a U.S. underwriting agreement (the "U.S. Underwriting Agreement") and an international underwriting agreement (the "International Underwriting Agreement"), respectively, with Crown Castle International Corp. (the "Company") and the other Selling Stockholders named therein, providing for the public offering by the Underwriters, including the Representatives, of Common Stock, par value $.01 per share (the "Common Stock"), of the

Company (the "Public Offering"). Capitalized terms not defined herein shall have the meaning given them in the U.S. Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and undertake the Public Offering of the Common Stock of the Company and the Crown Selling Stockholders and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned agrees that, without the prior written consent of Lehman Brothers Inc., he, she or it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of the Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or any right to acquire Common Stock, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions shall not apply to: (a) the exercise of options or warrants, (b) the sale of shares of Common Stock to the Underwriters in connection with the Public Offering pursuant to the provisions of the U.S. Underwriting Agreement and the International Underwriting Agreement, as applicable, (c) if the undersigned is an individual and is an employee of the Company as of the date of the Prospectus (other than any Crown Selling Stockholder or Executive Selling Stockholder), the sale of up to 12% of the shares of Common Stock in the aggregate beneficially owned by the undersigned as of the date of the Prospectus in compliance with the registration requirements of the Securities Act pursuant to a valid exemption therefrom; provided that if the undersigned relies on the exception in clause (b) above, then the aggregate number of shares that may be sold pursuant to this clause (c) shall be reduced by the number of shares sold pursuant to clause (b) above, or (d) transfers, without consideration, of the Common Stock or any securities convertible into, or exercisable or exchangeable for, Common Stock (1) if the undersigned is a natural person, to family members of the undersigned, to one or more trusts established for the benefit of one or more family members of the undersigned or to trusts established by the undersigned for charitable purposes or (2) if the undersigned is not a natural person, to affiliates, members, partners, shareholders or beneficiaries of the undersigned, provided in each case that each transferee executes and delivers to Lehman Brothers Inc. an agreement whereby such transferee agrees to be bound by all of the foregoing terms and provisions.

In addition, the undersigned agrees that the Company may (i) with respect to any shares of Common Stock for which the undersigned is the record holder, cause the transfer agent for the Company to note stop-transfer instructions with respect to such shares of Common Stock consistent with the foregoing paragraph on the transfer books and records of the Company and (ii) with respect to any shares of Common Stock for which the undersigned is the beneficial holder but not the record holder, cause the record holder of such shares of Common Stock to cause the transfer agent for the Company to note stop-transfer instructions with respect to such shares of Common Stock consistent with the foregoing paragraph on the transfer books and records of the Company.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this letter agreement, and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors, and assigns of the undersigned.

Very truly yours,

____

____
(Name - Please Type)

____
____
____
(Address)

____
(Social Security or Taxpayer Identification No.)

Exhibit B

FORM OF OPINION FOR ENGLISH COUNSEL FOR CTI

Exhibit C

CERTIFICATE OF CHIEF FINANCIAL OFFICER

The undersigned, Charles C. Green, III, Chief Financial Officer of Crown Castle International Corp., a Delaware corporation (the "Company"), pursuant to Section 14(p) of that certain U.S. Underwriting Agreement, dated August __, 1998 by and among the Company, the Crown Selling Stockholders named therein, the Executive Selling Stockholders named therein, the Employee Selling Stockholders named therein, the Sponsor Selling Stockholders named therein, Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co. and Smith Barney Inc., and pursuant to Section 7(j) of that certain International Underwriting Agreement, dated August __, 1998, by and among the Company, Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc., does hereby certify on behalf of the Company with respect to the registration statement on Form S-1 (File No. 333-57283) relating to the initial public offering of shares of the Company's common stock, and the Prospectus contained therein dated as of August __, 1998 and as filed with the U.S. Securities and Exchange Commission pursuant to Rule 424(b) (the "Prospectus"), that:

1. All data for numbers of tower, rooftop and communication sites (collectively, "Towers") owned, leased, managed, licensed, marketed, shared pursuant to contract, or otherwise utilized by or under the management of the Company and each of its subsidiaries (collectively, "CCIC") or Castle Transmission Services (Holdings) Ltd and its subsidiaries (collectively, "CTSH" and, together with CCIC, the "Businesses"), as presented in the Prospectus, including but not limited to such data presented under the captions identified on Schedule I hereto (such data, whether presented in tabular or text format, the "Tower Data"), have been prepared by officers of the Businesses, including the Chief Financial Officer of the Company (such officers, the "Responsible Officers").

2. All data for numbers of transmitters owned, leased, managed, licensed, marketed, shared pursuant to contract, or otherwise utilized by or under the management of the Businesses, as presented in the Prospectus, including but not limited to such data presented under the captions identified on Schedule I hereto (such statements, the "Transmitter Data"), have been prepared by the Responsible Officers.

3. All financial data for the revenue derived from or related to Tower Data and Transmitter Data, as presented in the Prospectus, including but not limited to such data presented under the captions identified on Schedule I hereto (such statements, the "Tower Revenue Statements") have been prepared by the Responsible Officers.

4. The statements regarding percentage of population coverage of analog television transmitters owned and managed by the Company, as presented in the Prospectus under the captions identified on Schedule I hereto (such statements, the "Population Coverage Statements") have been prepared by the Responsible Officers.

5. In collecting and preparing the Tower Data and the Transmitter Data, the undersigned (i) participated in meetings and conversations with the Responsible Officers and

such officers of subsidiaries of the Company and CTSH responsible for the management and evaluation of the areas of the Company's operations described in the Prospectus (the "Subsidiary Officers") and (ii) examined the books and records of the Company (including its subsidiaries), together with such schedules prepared by the Responsible Officers and the Subsidiary Officers.

6. The Tower Data and Transmitter Data is compiled by the Subsidiary Officers and Responsible Officers in a database managed by computer software sufficiently capable of maintaining and manipulating such data.

7. The Tower Data and Transmitter Data is collected in the database pursuant to established procedures for tracking the number of Towers owned, leased, managed, licensed, marketed, shared pursuant to contract, or otherwise utilized by or under the management of the Company, indicating (i) which corporate entity of the Businesses exercises control over such Tower or installed transmitter, (ii) the geographic location of such Tower or installed transmitter and (iii) in the case of communications sites, the number of towers located at such site and the status of such site (e.g., site identification, acquisition, development, construction, commissioning or operational), and such procedures include:

(a) in the case of Tower ownership, (1) each tower constructed by the Businesses is entered into the database at the time of commissioning of such tower and (2) each tower acquired by the Businesses, whether individually or in connection with the acquisition of a business that owns such tower, is entered into the database at the time of acquisition, and if any owned tower is sold to a third party not part of the Businesses, such tower is removed from the database at the time of such sale;

(b) in the case of Tower leasing or licensing, each tower, rooftop or communications site leased or licensed to the Businesses is entered into the database at the time the lease is executed or the license is granted, and removed from the database at the time the lease is terminated or license is revoked or terminated; and

(c) in the case of Tower management, marketing, sharing pursuant to contract or other utilization, each Tower managed, marketed, shared or utilized by the Businesses is entered into the database at the time the contract relating to such tower is executed and is removed from the database at the time the contract is terminated.

8. In preparing the Tower Revenue Statements, the undersigned (i) participated in meetings and conversations with the Responsible Officers and the Subsidiary Officers and (ii) examined the books and records of the Company (including its subsidiaries), together with such schedules prepared by the Responsible Officers and the Subsidiary Officers.

9. The Tower Revenue Statements were prepared by the Subsidiary Officers and Responsible Officers based on the Tower Data and the Transmitter Data and the Company's consolidated financial statements and the financial statements of the subsidiaries of the Company. The preparation of the Tower Revenue Statements included:

(a) in the case of owned towers, each Tower Revenue Statement states the actual gross revenue paid to the Company by all tenants and users of the relevant tower, rooftop or communication site during the period indicated (and unless specifically indicated otherwise in the Prospectus, all such Tower Revenue Statements measure actual gross revenue paid to the Company on a monthly basis); and

(b) in the case of tower leasing, licensing, management or marketing, each Tower Revenue Statement states the actual net income to the Company paid by all tenants and users of the relevant tower, rooftop or communication site during the period indicated (and unless specifically indicated otherwise in the Prospectus, all such Tower Revenue Statements measure actual net income paid to the Company on a monthly basis).

10. The Businesses are implementing procedures that will enable the Company's independent auditors to verify the Tower Data, the Transmitter Data and the Tower Revenue Statements.

11. The Population Coverage Statements are based on propagation characteristics of the geographic area surrounding the broadcast transmission sites and the range capability of the typical transmitters installed by the Businesses at such sites; and to the knowledge of the undersigned after reasonable inquiry with the Responsible Officers and the Subsidiary Officers, such Population Coverage Statements or comparable coverage data have not been contradicted by the Director General of the U.K. Office of Telecommunications or any other relevant regulatory agency.

12. The undersigned hereby represents and warrants that the Tower Data, Transmission Data, the Tower Revenue Statements and the Population Coverage Statements presented in the Prospectus are true and accurate. The undersigned hereby further represents and warrants that the procedures outlined above were undertaken by the Responsible Officers and the Subsidiary Officers and that the compilation of the data that comprise the Tower Data, Transmission Data, the Tower Revenue Statements and the Population Coverage Statements was performed by the Responsible Officers and Subsidiary Officers in good faith and using such judgment and is typically used by them in the management and evaluation of the Company's operations.

IN WITNESS WHEREOF, the undersigned has hereunto signed his name on behalf of the Company this __ day of August, 1998.

By:________________________________
Name: Charles C. Green, III
Title: Chief Financial Officer

SCHEDULE I

The Tower Data, Transmitter Data, Tower Revenue Statements and Population Coverage Statements are principally located under the following captions in the Prospectus:

- "Prospectus Summary--The Company"
- "Prospectus Summary--Background"
- "Prospectus Summary--Summary Unaudited Pro Forma Financial and Other Data" and the notes thereto
- "Prospectus Summary--Summary Financial and Other Data of CCIC" and the notes thereto
- "Prospectus Summary--Summary Financial and Other Data of CTI" and the notes thereto
- "Risk Factors--Risks Associated with Construction and Acquisition of Towers"
- "Risk Factors--Reliance on Significant Agreements"
- "Selected Financial and Other Data of CCIC" and the notes thereto
- "Selected Financial and Other Data of Crown"
- "Selected Financial and Other Data of CTI"
- "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations"
- "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources"
- "Industry Background--Trends in the Wireless Communications and Broadcasting Industries"
- "Business"
- "Business--Background"
- "Business--U.S. Operations"
- "Business--U.K. Operations"

EXHIBIT 1.2

6,250,000 SHARES

CROWN CASTLE INTERNATIONAL CORP.

COMMON STOCK

INTERNATIONAL UNDERWRITING AGREEMENT

August __, 1998

Lehman Brothers International (Europe)
Credit Suisse First Boston (Europe) Limited
Goldman Sachs International
Smith Barney Inc.
As Lead Managers of the several
International Managers named in Schedule 1,
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Dear Sirs:

Crown Castle International Corp., a Delaware corporation (the "Company") proposes to sell an aggregate of 6,250,000 shares (the "International Stock") of the Company's Common Stock, par value $.01 per share (the "Common Stock"). This is to confirm the agreement concerning the purchase of the International Stock from the Company by the International Managers.

It is understood by all parties that the Company, Robert A. Crown, Barbara A. Crown, Robert A. Crown and PNC Bank, Delaware, Trustees of the Robert A. Crown Grantor Retained Annuity Trust and Barbara A. Crown and PNC Bank, Delaware, Trustees of the Barbara A. Crown Grantor Retained Annuity Trust (collectively, the "Crown Selling Stockholders"), the Executive Selling Stockholders, the Employee Selling Stockholders and the Sponsor Selling Stockholders (each as defined in the U.S. Underwriting Agreement) are concurrently entering into an agreement dated the date hereof (the "U.S. Underwriting Agreement") providing for the sale by the Company and the Crown Selling Stockholders of an aggregate of 25,000,000 shares of Common Stock (the "Firm Stock") through arrangements with certain underwriters inside the United States and Canada (the "U.S. Underwriters"), for whom Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co. and Smith Barney, Inc. are acting as Representatives. In addition, the Executive Selling Stockholders, the Employee Selling Stockholders and the Sponsor Selling Stockholders propose to grant to the U.S. Underwriters an option under the U.S. Underwriting Agreement to purchase up to an additional 4,687,500 shares of Common Stock (the "Option Stock" and, together with the Firm Stock, the "U.S. Stock") on the terms and for the purposes set forth in Section 4 of the U.S. Underwriting Agreement. The International Managers and the U.S. Underwriters simultaneously are entering into an agreement between the U.S. and international underwriting syndicates (the

"Agreement Between U.S. Underwriters and International Managers") which provides for, among other things, the transfer of shares of Common Stock between the two syndicates. Two forms of prospectus are to be used in connection with the offering and sale of shares of Common Stock contemplated by the foregoing, one relating to the U.S. Stock and the other relating to the International Stock. The latter form of prospectus will be identical to the former except for certain substitute pages as included in the registration statement and amendments thereto referred to below. Except as used in Sections 2, 3, 4, 9, 10 and 11 herein, and except as the context may otherwise require, references herein to the Stock shall include all the shares of Common Stock which may be sold pursuant to either this Agreement or the U.S. Underwriting Agreement, and references herein to any prospectus, whether in preliminary or final form, and whether as amended or supplemented, shall include both the international and the U.S. versions thereof.

1. Representations, Warranties And Agreements Of The Company. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-1 and any amendments thereto with respect the Stock has (i) been prepared by the Company in conformity with the requirements of the United States Securities Act of 1933 (the "Securities Act") and the rules and regulations (the "Rules and Regulations") of the United States Securities and Exchange Commission (the "Commission") thereunder, (ii) been filed with the Commission under the Securities Act and (iii) become effective under the Securities Act. Copies of such registration statement and the amendments thereto have been delivered by the Company to you as the lead managers (the "Lead Managers") of the International Managers. As used in this Agreement, "Effective Time" means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; "Effective Date" means the date of the Effective Time; "Preliminary Prospectus" means each prospectus included in such registration statement, or amendments thereto, before it became effective under the Securities Act and any prospectus filed with the Commission by the Company with the consent of the Lead Managers pursuant to Rule 424(a) of the Rules and Regulations; "Registration Statement" means such registration statement, as amended at the Effective Time, including all information contained in the final prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations in accordance with Section 5 hereof and deemed to be a part of the registration statement as of the Effective Time pursuant to paragraph (b) of Rule 430A of the Rules and Regulations and including any registration statement registering additional shares of Common Stock filed with the Commission pursuant to Rule 462(b) of the Rules and Regulations; and "Prospectus" means such final prospectus, as first filed with the Commission pursuant to paragraph (1) or (4) of Rule 424(b) of the Rules and Regulations. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus.

(b) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will, when they become effective or are filed with the Commission, as the case may be, conform in all respects to the requirements of the Securities Act and the Rules and Regulations and do not and will not, as of the applicable effective date (as to the Registration Statement and any amendment thereto) and as of the applicable filing date (as to the Prospectus and any amendment or supplement thereto) contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Lead Managers by or on behalf of any International Manager specifically for inclusion therein.

(c) The industry-related and tower-related data and estimates included in the Prospectus are based on or derived from sources which the Company believes to be reliable and accurate.

(d) The Company is a corporation duly incorporated and validly existing and in good standing under the laws of Delaware with all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify or to be in good standing would not have a material adverse effect on the condition (financial or other), business, prospects, properties or results of operations of the Company, Crown Communication, Inc. ("CCI"), Crown Network Systems, Inc. ("Network"), Crown Mobile Systems, Inc. ("Mobile"), TEA Group Incorporated ("TEA"), Spectrum Site Management Corporation ("Spectrum"), TeleStructures, Inc. ("TeleStructures"), Crown Castle International Corp. de Puerto Rico ("CCIC (PR)"), Crown Communication New York, Inc. ("CCNY") and Castle Transmission Services (Holdings) Ltd. ("CTSH"), Castle Transmission International, Ltd. ("CTI") and Castle Transmission (Finance) Plc ("CTF" and, together with CCI, Network, Mobile, TEA, Spectrum, TeleStructures, CCIC (PR), CCNY, CTSH, CTI and CTF, the "Subsidiaries") taken as a whole (a "Material Adverse Effect").

(e) None of the subsidiaries of the Company (other than CCI and, following the consummation of the transactions contemplated hereby, CTI (collectively, the "Significant Subsidiaries")) is a "significant subsidiary," as such term is defined in Rule 405 of the Rules and Regulations.

(f) CTI is a corporation duly incorporated and validly existing under the laws of the jurisdiction of its incorporation with all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus, and is duly registered and qualified to conduct its business in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify or to be in good standing would not have a Material Adverse Effect.

(g) As of the Delivery Date (as defined), the Company will have an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof contained in the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and (except for directors' qualifying shares and except as set forth in the Registration Statement (including the exhibits thereto) with respect to shares subject to liens under the Company's Senior Credit Facility) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

(h) The unissued shares of the Stock to be issued and sold by the Company to the International Managers hereunder and to the U.S. Underwriters under the U.S. Underwriting Agreement have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and non-assessable; and the Stock will conform to the description thereof contained in the Prospectus.

(i) The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(j) The application for the inclusion of the Stock on the NASDAQ National Market System has been approved, subject only to official notice of issuance and evidence of satisfactory distribution.

(k) This Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the International Managers, constitutes the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding in equity or at law).

(l) The execution, delivery and performance of this Agreement and the U.S. Underwriting Agreement by the Company and the consummation of the transactions contemplated hereby, and the transactions described in the Prospectus under the caption "The Roll-Up" (such transactions are herein collectively called the "Roll-Up") will not conflict with or result in a breach or violation of any of the terms or provisions of, or (with the giving of notice or the lapse of time or both) constitute a default under, (i) any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound or to which any of the properties or assets of the Company or any of the Subsidiaries is subject, (ii) the provisions of the charter, by-laws or other constitutive documents of the Company or any of the Subsidiaries or (iii) any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of the Subsidiaries or any of their properties or assets, except in the cases of clause (i) or (iii), such breaches, violations or defaults that in the aggregate would not have a Material Adverse Effect; and except for (A) the registration of the Stock under the Securities Act and (B) such consents, approvals, authorizations, registrations or qualifications (1) as may be required under the Exchange Act and applicable state or foreign securities laws in connection with the purchase and distribution of the Stock by the International Managers and the U.S. Underwriters, (2) as may have already been obtained or made and (3) the failure to obtain or make would not, individually or in the aggregate, have a Material Adverse Effect, no consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body is required for the execution, delivery and performance of this Agreement or the U.S. Underwriting Agreement by the Company and the consummation of the transactions contemplated hereby and in the Roll-Up.

(m) Except as described in the Prospectus, there are no contracts, agreements or understandings between the Company or any of the Subsidiaries and any person granting such person the right to require the Company or any of the Subsidiaries to file a registration statement under the Securities Act with respect to any securities of the Company and the Subsidiaries owned or to be owned by such person or to require the Company or any of the Subsidiaries to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company or any of the Subsidiaries under the Securities Act.

(n) Except as described in the Prospectus, the Company has not sold or issued any shares of Common Stock during the six-month period preceding the date of the Prospectus, including any sales pursuant to Rule 144A under, or Regulation D or Regulation S of, the Securities Act other than shares issued pursuant to employee benefit plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(o) Neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included in the Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since such date, except as described or contemplated in the Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective adverse change, which individually or in the aggregate has had or would have a Material Adverse Effect.

(p) The consolidated historical and pro forma financial statements, together with the related notes thereto filed as part of the Registration Statement or included in the Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Act applicable to registration statements on Form S-1 under the Act. Such historical financial statements fairly present the financial position of the Company at the respective dates indicated and the results of operations and cash flows for the respective periods indicated, in each case in accordance with generally accepted accounting principles ("GAAP") consistently applied throughout such periods. Such pro forma financial statements have been prepared on a basis consistent with such historical statements, except for the pro forma adjustments specified therein, and give effect to assumptions made on a reasonable basis and in good faith and present fairly the pro forma position, results of operations and the other information purported to be shown therein at the respective dates or the respective periods therein specified. The other financial and statistical information and data filed as part of the Registration Statement or included in the Prospectus, historical and pro forma, are, in all material respects, fairly presented and prepared on a basis consistent with such financial statements and the books and records of the Company.

(q) KPMG Peat Marwick LLP, who have certified certain financial statements of the Company, whose report appears in the Prospectus and who have delivered the initial letter referred to in Section 7(h) hereof, are independent public accountants as required by the Securities Act and the Rules and Regulations during the periods covered by the financial statements on which they reported contained in the Prospectus.

(r) The Company and each of the Subsidiaries has good and indefeasible title to all property (real and personal) described in the Prospectus as being owned by it, free and clear of all liens, claims, security interests or other encumbrances except such as are described in the Prospectus, and all the material property described in the Prospectus as being held under lease by the Company and any such Subsidiary is held by it under valid, subsisting and enforceable leases, with only such exceptions as would not in the aggregate have a Material Adverse Effect. In addition, except as described in the Prospectus, the consummation of the transactions contemplated by this Agreement and the Roll-Up will not give rise to any third party rights of first refusal under any agreement as to which the Company and any of the Subsidiaries or any of their property or assets may be subject.

(s) The Company and each of the Significant Subsidiaries carry, or are covered by, insurance in such amounts and covering such risks as is adequate for the conduct of its businesses and the value of its properties and as is customary for companies engaged in similar businesses in similar industries.

(t) The Company and each of the Significant Subsidiaries has such permits, licenses, franchises, certificates of need and other approvals or authorizations of any governmental or regulatory authority ("Permits"), including, without limitation, any permits required by the Federal Communications Commission ("FCC"), the Federal Aviation Administration ("FAA") or the Office of Telecommunications ("OFTEL"), as are necessary under applicable law to own their respective properties and to conduct their respective businesses in the manner described in the Prospectus, except to the extent that the failure to have such Permits would not have a Material Adverse Effect. The Company and the Significant Subsidiaries have fulfilled and performed in all material respects, all their respective obligations with respect to the Permits, and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such Permit, subject in each case to such qualification as may be set forth in the Prospectus and except to the extent that any such revocation or termination would not have a Material Adverse Effect. Except as described in the Prospectus, none of the Permits contains any restriction that has not previously been satisfied and that is materially burdensome to the Company or any of the Significant Subsidiaries.

(u) For each existing tower of the Company not yet registered with the FCC where registration will be required, the FCC's grant of an application for registration of such tower will not have a significant environmental effect as defined under Section 1.1307(a) of the FCC's rules.

(v) The consummation of the transactions contemplated by this Agreement shall not cause any third party to have any rights of first refusal with respect to the acquisition of towers under any Material Agreement that has not already been described in the Prospectus as to which the Company and any of the Significant Subsidiaries or any of their property or assets may be subject.

(w) The Company and each of the Significant Subsidiaries owns or possesses all patents, trademarks, trademark registration, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights described in the Prospectus as being owned by any of them or necessary for the conduct of their respective businesses, and neither the Company nor any of the Significant Subsidiaries is aware of any claim to the contrary or any challenge by any other person to the rights of the Company or any of the Significant Subsidiaries with respect to such rights that, if determined adversely to the Company or any such Significant Subsidiary, would in the aggregate have a Material Adverse Effect.

(x) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened, against the Company or any Subsidiary or to which any of their respective properties is subject, that are not disclosed in the Prospectus and which are reasonably likely to have a Material Adverse Effect. The descriptions in the Prospectus of all agreements, contracts, indentures, leases or other instruments are accurate in all material respects and fairly present the information purported to be described therein.

(y) Neither the Company nor any of the Subsidiaries is involved in any strike, job action or labor dispute with any group of employees, and, to the knowledge of the Company and the Subsidiaries, no such action or dispute is threatened.

(z) The Company and each of the Subsidiaries are in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any liability; the Company has not incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code"); and each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(aa) The Company and each of the Subsidiaries have filed all federal, state and local income and franchise tax returns required to be filed through the date hereof and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company or any of the Subsidiaries nor does the Company or any of the Subsidiaries have any knowledge of any tax deficiency which, if determined adversely to the Company or any of the Subsidiaries, would have a Material Adverse Effect.

(bb) Since the date as of which information is given in the Prospectus through the date hereof, and except as may otherwise be disclosed in the Prospectus, the Company has not (i) issued or granted any securities, (ii) incurred any liability or obligation, direct or contingent, or entered into any transaction, in each case not in the ordinary course of business which is material to the Company and its Subsidiaries taken as a whole or (iii) declared or paid any dividend on its capital stock (excluding payment in lieu of fractional shares upon conversion of certain senior preferred convertible stock of the Company).

(cc) The Company (i) makes and keeps accurate books and records and (ii) maintains a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements in conformity with GAAP and to maintain accountability for its assets, (C) access to its assets is permitted only in accordance with management's general or specific authorization and (D) the reported accountability for its assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(dd) Neither the Company nor any of the Subsidiaries (i) is in violation of its charter or by-laws, (ii) is in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation in any material respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business.

(ee) Neither the Company nor any of the Subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of the Subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(ff) There has been no storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes or hazardous substances by the Company or any of the Subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company or any of the Subsidiaries in violation of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit or which would require remedial action under any applicable law, ordinance, rule, regulation, order, judgment, decree or permit, except for any violation or remedial action which would not have, or could not be reasonably likely to have, singularly or in the aggregate, a Material Adverse Effect; there has been no material spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any toxic wastes, medical wastes, solid wastes, hazardous wastes or hazardous substances due to or caused by the Company or any of the Subsidiaries or with respect to which the Company or any of the Subsidiaries has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have or would not be reasonably likely to have, singularly or in the aggregate, a Material Adverse Effect; and the terms "hazardous wastes," "toxic wastes," "hazardous substances" and "medical wastes" shall have the meanings specified in any applicable local, state, federal and foreign laws or regulations with respect to environmental protection.

(gg) Neither the Company nor any Subsidiary is an "investment company" within the meaning of such term under the United States Investment Company Act of 1940, as amended, and the rules and regulations of the Commission promulgated thereunder.

(hh) The Company has complied with all provisions of Section 517.075, Florida Statutes relating to doing business with the Government of Cuba or with any person or affiliate located in Cuba.

(2) Purchase of the Stock by the International Managers. On the basis of the representations and warranties contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell 6,250,000 shares of the International Stock to the several International Managers and each International Manager, severally and not jointly, agrees to purchase the respective number of shares of the International Stock set opposite that International Manager's name in Schedule 1 hereto at U.S. $__________ a share. Each International Manager shall be obligated to purchase from the Company that number of shares of the International Stock which represents the same proportion of the number of shares of the International Stock to be sold by the Company as the number of shares of the International Stock set forth opposite the

name of such International Manager in Schedule 1 represents of the total number of shares of the International Stock to be purchased by all of the International Managers pursuant to this Agreement. The respective purchase obligations of the International Managers with respect to the International Stock shall be rounded among the International Managers to avoid fractional shares, as the Lead Managers may determine.

The Company shall not be obligated to deliver any of the Stock to be delivered on the Delivery Date (as hereinafter defined), as the case may be, except upon payment for all the Stock to be purchased on the Delivery Date as provided herein.

3. Offering of Stock by the International Managers.

Upon authorization by the Lead Managers of the release of the International Stock, the several International Managers propose to offer the International Stock for sale upon the terms and conditions set forth in the Prospectus. The International Stock is to be offered to the public initially at U.S. $________ a share.

Each International Manager agrees that, except to the extent permitted by the Agreement Between U.S. Underwriters and International Managers, it will not offer or sell any of the Stock in the United States or Canada.

4. Delivery of and Payment for the Stock. Delivery of and payment for the International Stock shall be made at the office of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, at 10:00 A.M., New York City time, on the third full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Lead Managers and the Company. This date and time are sometimes referred to as the "Delivery Date." On the Delivery Date, the Company shall deliver or cause to be delivered certificates representing the International Stock to the Lead Managers for the account of each International Manager against payment to or upon the order of the Company of the purchase price in immediately available funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each International Manager hereunder. Upon delivery, the International Stock shall be registered in such names and in such denominations as the Lead Managers shall request in writing not less than two full business days prior to the Delivery Date. For the purpose of expediting the checking and packaging of the certificates for the International Stock, the Company shall make the certificates representing the International Stock available for inspection by the Lead Managers in New York, New York, not later than 2:00 P.M., New York City time, on the business day prior to the Delivery Date.

5. Further Agreements of the Company. The Company agrees:

(a) To prepare the Prospectus in a form approved by the Lead Managers and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Securities Act; to make no further amendment or any supplement to the Registration Statement or to the Prospectus except as permitted herein; to advise the Lead Managers, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Lead Managers with copies thereof; to advise the Lead Managers, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) To furnish promptly to each of the Lead Managers and to counsel for the International Managers a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith;

(c) To deliver promptly to the Lead Managers such number of the following documents as the Lead Managers shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of earnings per share) and (ii) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus and, if the delivery of a prospectus is required at any time after the Effective Time in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Lead Managers and, upon their request, to prepare and furnish without charge to each International Manager and to any dealer in securities as many copies as the Lead Managers may from time to time reasonably request of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance;

(d) To file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may, in the judgment of the Company or the Lead Managers, be required by the Securities Act or requested by the Commission;

(e) Prior to filing with the Commission any amendment to the Registration Statement or supplement to the Prospectus or any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Lead Managers and counsel for the International Managers and obtain the consent of the Lead Managers to the filing;

(f) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 410 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Lead Managers an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Company, Rule 158);

(g) For a period of three years following the Effective Date, to furnish to the Lead Managers copies of all materials furnished by the Company to its shareholders and all public reports and all reports and financial statements furnished by the Company to the principal national securities exchange upon which the Common Stock may be listed pursuant to requirements of or agreements with such exchange or to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder;

(h) Promptly from time to time to take such action as the Lead Managers may reasonably request to qualify the Stock for offering and sale under the securities laws of such jurisdictions as the Lead Managers may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(i) For a period of 180 days from the date of the Prospectus, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (other than the International Stock, the U.S. Stock and shares issued pursuant to employee benefit plans or other employee compensation plans existing on the date hereof or pursuant to currently outstanding options, warrants or rights), or sell or grant options, rights or warrants with respect to any shares of Common Stock (other than the grant of options pursuant to option plans existing on the date hereof), without the prior written consent of Lehman Brothers Inc.; to cause each person that, as of the date of this Agreement (i) is a recordholder of

Common Stock or (ii) has the right to acquire shares of Common Stock upon conversion, reclassification, exchange or exercise of another security, which right will occur or may be fully vested and exercisable within 180 days of this Agreement (excluding the right to acquire shares of Common Stock pursuant to the CTSH All Employee Plan and the CTSH Bonus Share Plan, each as defined in the Prospectus) to furnish to the Lead Managers, prior to the Delivery Date, a letter or letters, in form and substance substantially similar to Exhibit A attached hereto (which is substantially identical to Exhibit A to the U.S. Underwriting Agreement);

(j) Prior to filing with the Commission any reports on Form SR pursuant to Rule 463 of the Rules and Regulations, to furnish a copy thereof to the counsel for the International Managers and receive and consider its comments thereon, and to deliver promptly to the Lead Managers a signed copy of each report on Form SR filed by it with the Commission; and

(k) To take such steps as shall be necessary to ensure that neither the Company nor any subsidiary shall become an "investment company" within the meaning of such term under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations of the Commission promulgated thereunder.

6. Expenses. The Company agrees to pay (a) the costs incident to the authorization, issuance, sale and delivery of the Stock and any taxes payable in connection therewith; (b) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement and any amendments, supplements and exhibits thereto; (c) the costs of distributing the Registration Statement as originally filed and each amendment thereto and any post-effective amendments thereof (including, in each case, exhibits), any Preliminary Prospectus, the Prospectus and any amendment or supplement to the Prospectus, all as provided in this Agreement; (d) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of sale of the Stock; (e) any applicable listing or other fees; (f) the fees and expenses (not in excess, in the aggregate, of $__________) of qualifying the Stock under the securities laws of the several jurisdictions as provided in Section 5(h) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the International Managers); (g) all fees and expenses of an independent underwriter; (h) all costs and expenses of the International Managers, including the fees and disbursements of counsel for the International Managers, incident to the offer and sale of shares of the Stock by the International Managers to employees and persons having business relationships with the Company and its subsidiaries; and (i) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; provided that, except as provided in this Section 6 and in Section 11, the International Managers shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Stock which they may sell and the expenses of advertising any offering of the Stock made by the International Managers.

7. Conditions of International Managers' Obligations. The respective obligations of the International Managers hereunder are subject to the accuracy, when made and on the Delivery Date, of the representations and warranties of the Company contained herein, to the performance by the Company of their obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 5(a); no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with.

(b) No International Manager or U.S. Underwriter shall have discovered and disclosed to the Company on or prior to the Delivery Date that the Registration Statement or the Prospectus or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Latham & Watkins, counsel for the International Managers, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form, validity, execution and delivery of this Agreement, the U.S. Underwriting Agreement, the International Stock, the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the International Managers, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Cravath, Swaine & Moore shall have furnished to the Lead Managers its written opinion, as counsel to the Company, addressed to the International Managers and dated the Delivery Date, in form and substance reasonably satisfactory to the Lead Managers, to the effect that:

(i) Each of the Company and CCI is a corporation validly existing and in good standing under the laws of the state of its incorporation (which opinion may be based solely on a certificate of the Secretary of State of such state), and the Company has all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus. Each of the Company and CCI is duly registered and qualified to conduct its business and is in good standing (which opinion may be based solely on a certificate of the Secretary of State of such state), in each jurisdiction or place where, based on a certificate of an officer of the Company, the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify or to be in good standing would not have a Material Adverse Effect;

(ii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the shares of Stock being delivered on the Delivery Date) have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof contained in the Prospectus;

(iii) Except as described in the Prospectus, there are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any shares of the Stock pursuant to the Company's charter or by-laws or any agreement or other instrument known to such counsel;

(iv) To the knowledge of such counsel, there are no legal or governmental proceedings pending or threatened against the Company or any of the Significant Subsidiaries, or to which any of their respective properties is subject, that are not disclosed in the Prospectus and which are reasonably likely to have a Material Adverse Effect or to materially affect the issuance of the shares of capital stock or the consummation of the transactions contemplated by this Agreement and the Roll-Up. To the knowledge of such counsel, there are no agreements, contracts, indentures, leases or other instruments to which the Company or any of the Significant Subsidiaries is a party or to which any of their respective properties or assets is subject that are required to be described in, or filed as exhibits to, the Registration Statement and the Prospectus that have not been so described or filed;

(v) The Registration Statement was declared effective under the Securities Act as of the date and time specified in such opinion, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) of the Rules and Regulations specified in such opinion on the date specified therein and no stop order suspending the effectiveness of the Registration Statement has been issued and, to the knowledge of such counsel, no proceeding for that purpose is pending or threatened by the Commission;

(vi) The Registration Statement and the Prospectus and any further amendments or supplements thereto made by the Company prior to the Delivery Date (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Securities Act and the Rules and Regulations;

(vii) The statements contained (A) in the Prospectus under the captions "Description of Capital Stock", "Shares Eligible for Future Sale", "Certain United States Federal Tax Consequences to Non-United States Holders" and paragraphs 1, 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 under the caption "Underwriting" and (B) in the Registration Statement in Items 14 and 15, in each case insofar as they are descriptions of contracts, agreements or other legal documents, or refer to statements of law or legal conclusions, are accurate in all material respects and present fairly the information purported to be described therein;

(viii) This Agreement and the U.S. Underwriting Agreement have each been duly and validly authorized, executed and delivered by the Company;

(ix) None of the issuance, offer or sale of the shares of Common Stock, the execution, delivery or performance by the Company of this Agreement and the International Underwriting Agreement, compliance by the Company with the provisions hereof nor consummation by the Company of the transactions contemplated hereby and in the Roll-Up (i) requires any consent, approval, authorization or other order of, or registration or filing with, any court, regulatory body, administrative agency or other governmental body, agency or official, or conflicts or will conflict with or constitutes or will constitute a breach of, or a default under, the certificate of incorporation or by-laws, or other organizational documents, of the Company or (ii) conflicts or will conflict with or constitutes or will constitute a breach of, or a default under, any agreement filed as an exhibit to, or incorporated by reference in, the Registration Statement (the "Material Agreements"), or violates or will violate any law, rule or regulation of the United States, or the State of New York or the General Corporation Law of the State of Delaware, or, to such counsel's knowledge, any order or decree of any court or government agency or instrumentality or will result in the creation or imposition of any Lien upon any property or assets of the Company or CCI pursuant to the terms of any agreement or instrument to which any of them is a party or by which any of them may be bound or under any to which any of their respective property or assets is subject, except in each case such breaches, conflicts or defaults that, individually or in the aggregate, would not have a Material Adverse Effect. For purposes of the foregoing opinion, such counsel may assume that any agreements referred to in clause (ii) above that are governed by laws other than the laws of the State of New York, are governed by and would be interpreted in accordance with the laws of the State of New York; and

(x) The Company is not and, upon sale of the shares of Common Stock to be issued and sold thereby in accordance herewith and the application of the net proceeds to the Company of such sale as described in the Prospectus under the caption "Use of Proceeds," will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

In addition, such counsel shall also state that such counsel has participated in conferences with officers of the Company and with the independent public accountants for the Company, concerning the preparation of the Registration Statement and the Prospectus, and, although such counsel has made certain inquiries and investigations in connection with the preparation of the Registration Statement and the Prospectus, it is not passing upon and does not assume any responsibility for the accuracy or completeness of the statements contained in the Registration Statement and the Prospectus, and has not made any independent check or verification thereof, except insofar as such statements relate to such counsel and to clause (xii) above, and on the basis of the foregoing such counsel's work in connection with this matter did not disclose any information that gave such counsel reason to believe that the Registration Statement and the Prospectus, as of its date or as of the Closing Date, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no belief or opinion with respect to the financial statements and other financial data included therein).

The opinion of such counsel may be limited to the laws of the state of New York, the General Corporation Law of the state of Delaware and the Federal laws of the United States.

(e) Brown, Parker & Leahy, L.L.P. shall have furnished to the Lead Managers its written opinion, as counsel to the Company, addressed to the International Managers and dated the Delivery Date, in form and substance reasonably satisfactory to the Lead Managers, to the effect that:

(i) All of the issued shares of capital stock of each Subsidiary of the Company have been duly and validly authorized and issued and are fully paid, non-assessable and (except for directors' qualifying shares and as described in the Prospectus with respect to CTI) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(ii) To knowledge of such counsel, there are no legal or governmental proceedings pending or threatened against the Company or any of the Significant Subsidiaries, or to which any of their respective properties is subject, that are not disclosed in the Prospectus and which are reasonably likely to have a Material Adverse Effect or to materially affect the issuance of the shares of capital stock or the consummation of the transactions contemplated by this Agreement and the Roll-Up;

(iii) To the knowledge of such counsel, except as described in the Prospectus there are no contracts, agreements or understandings between the Company or any of the Significant Subsidiaries and any person granting such person the right to require the Company or any of the Significant Subsidiaries to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company or any of the Significant Subsidiaries to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company or any of the Significant Subsidiaries under the Securities Act; and

(iv) The Senior Credit Facility has been duly and validly authorized, executed and delivered by CCI and CCIC (PR) and assuming due authorization, execution and delivery by the other parties thereto, constitutes the valid and binding agreement of CCI and CCIC (PR), enforceable against CCI and CCIC (PR) in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding in equity or at law).

The opinion of such counsel may be limited to the laws of the state of Texas, the state of New York, the General Corporation Law of the state of Delaware and the Federal laws of the United States.

(f) The Lead Managers shall have received an opinion, dated the Delivery Date, of Norton Rose, English counsel for Castle Transmission Services (Holdings) Ltd., substantially in the form of Exhibit B hereto.

(g) The Lead Managers shall have received from Latham & Watkins, counsel for the International Managers, such opinion or opinions, dated the Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and other related matters as the Lead Managers may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(h) At the time of execution of this Agreement, the Lead Managers shall have received from KPMG Peat Marwick LLP a letter, in form and substance satisfactory to the Lead Managers, addressed to the International Managers and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to International Managers in connection with registered public offerings.

(i) With respect to the letter of KPMG Peat Marwick LLP referred to in the preceding paragraph and delivered to the Lead Managers concurrently with the execution of this Agreement (the "initial letter"), the Company shall have furnished to the Lead Managers a letter (the "bring-down letter") of such accountants, addressed to the International Managers and dated the Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(j) The Company shall have furnished to the Lead Managers a certificate, dated the Delivery Date, of its Chief Executive Officer or President and its Chief Financial Officer stating that:

(i) The representations, warranties and agreements of the Company in Section 1 are true and correct as of the Delivery Date; the Company has complied with all its agreements contained herein; none of the events described in clause (i) or (ii) of Section 7(l) have occurred or identifying all such events as have occurred; and the conditions set forth in Sections 7(a) and 7(o) have been fulfilled; and

(ii) They have carefully examined the Registration Statement and the Prospectus and, in their opinion (A) as of the Effective Date, the Registration Statement and Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the Effective Date no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement or the Prospectus.

(k) The Company shall have furnished to the Lead Managers a certificate, substantially in the form of Exhibit C hereto, dated the Delivery Date, of its Chief Financial Officer with respect to certain data of the Company set forth in the Prospectus.

(l) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations, business or prospects of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is, in the judgment of the Lead Managers, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

(m) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) of the Rules and Regulations and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's securities.

(n) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange or the American Stock Exchange or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of a majority in interest of the several International Managers, impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

(o) The NASDAQ National Market System shall have approved the Stock for inclusion, subject only to official notice of issuance and evidence of satisfactory distribution.

(p) CTI and CTSH shall have received from Credit Suisse First Boston, as arranger and agent, and J.P. Morgan Securities Ltd., as co-arranger, and from each lender under the Loan Amendment Agreement dated May 21, 1997, an irrevocable consent and waiver to certain change of control provisions of such agreement as applicable to the Roll-Up, and the Company shall provide a copy of such consent and waiver to the Lead Managers.

(q) The Company shall have concluded the Stock Split and the Conversions and shall have reclassified all shares of Class B Common Stock as Common Stock (each as defined in the Prospectus).

(r) The Company shall have delivered to the Lead Managers copies of the Governance Agreement, the Stockholders Agreement, the CTSH Shareholders' Agreement and the CTI Services Agreement (each as defined in the Prospectus) executed and delivered by all parties thereto.

(s) The Company shall have delivered to the Lead Managers copies of written documentation evidencing (i) the final ruling of the FCC under Section 310(b)(4) of the Communications Act of 1934, as amended, permitting up to 49.9% foreign ownership of the Company, at least 25% of which will be from World Trade Organization member nations.

(t) The Lead Managers shall have received from each stockholder of the Company an executed letter in the form of Exhibit A pursuant to Section 5(i) hereto.

(u) The closing under the U.S. Underwriting Agreement shall have occurred concurrently with the closing hereunder on the Delivery Date.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the International Managers.

8. Indemnification and Contribution.

(a) The Company and its Significant Subsidiaries, jointly and severally, shall indemnify and hold harmless each International Manager, its officers and employees and each person, if any, who controls any International Manager within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that International Manager, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto, (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any act or failure to act or any alleged act or failure to act by any International Manager in connection with, or relating in any manner to, the Stock or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (provided that the Company shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such International Manager through its gross negligence or willful misconduct), and shall reimburse each International Manager and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that International Manager, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any such amendment or supplement, in reliance upon and in conformity with written information concerning such International Manager furnished to the Company through the Lead Managers by or on behalf of any International Manager specifically for inclusion therein; provided further that the Company shall not be liable to any International Manager under the indemnity agreement in this paragraph 8(a) with respect to any Preliminary Prospectus to the extent that any such loss, claim, damage or liability of such International Manager results from the fact that such International Manager sold shares of Common Stock to a person as to whom there was not sent or given, at or prior to written confirmation of such sale, a copy of the Prospectus as then amended or supplemented if the Company had previously furnished copies thereof in the quantity requested and in a timely manner in accordance with Section 5(c) hereof to such International Manager and the loss, claim, damage or liability of such International Manager results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus and corrected in the Prospectus as amended or supplemented.

(b) Each International Manager, severally and not jointly, shall indemnify and hold harmless the Company, its officers who sign the Registration Statement, each of its directors (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company), and each person, if any, who controls the Company within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such International Manager furnished to the Company through the Lead Managers by or on behalf of that International Manager specifically for inclusion therein, and shall reimburse the Company and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any International Manager may otherwise have to the Company or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure and, provided further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that the Lead Managers shall have the right to employ counsel to represent jointly the Lead Managers and those other International Managers and their respective officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the International Managers against the Company under this Section 8 if, in the reasonable judgment of the Lead Managers, it is advisable for the Lead Managers and those International Managers, officers, employees and controlling persons to be jointly represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the Company. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 8.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient (other than by reason of the exceptions provided therein) to hold harmless an indemnified party under Section 8(a) or 8(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the International Managers on the other from the offering of the Stock or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the International Managers on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the International Managers on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company, on the one hand, and the total underwriting discounts and commissions received by the International Managers with respect to the shares of the Stock purchased under this Agreement, on the other hand, bear to the total gross proceeds from the offering of the shares of the Stock under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the International Managers, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the International Managers agree that it would not be just and equitable if contributions pursuant to this Section 8 were to be determined by pro rata allocation (even if the International Managers were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8 shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), no International Manager shall be required to contribute any amount in excess of the amount by which the total price at which the Stock underwritten by it and distributed to the public was offered to the public exceeds the amount of any damages which such International Manager has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The International Managers' obligations to contribute as provided in this Section 8(d) are several in proportion to their respective underwriting obligations and not joint.

(e) The International Managers severally confirm and the Company acknowledges that (i) the last paragraph on the cover page of the Prospectus, (ii) the stabilization legend at the top of page i of the Prospectus and (iii) the fourth, ninth, tenth, eleventh, and twenty-second paragraphs and the first sentence of the thirteenth paragraph under the caption "Underwriting" in the Prospectus constitute the only information concerning such International Managers furnished in writing to the Company by or on behalf of the International Managers specifically for inclusion in the Registration Statement and the Prospectus.

9. Defaulting International Managers.

If, on the Delivery Date, any International Manager defaults in the performance of its obligations under this Agreement, the remaining non-defaulting International Managers shall be obligated to purchase the International Stock which the defaulting International Manager agreed but failed to purchase on the Delivery Date in the respective proportions which the number of shares of International Stock set opposite the name of each remaining non-defaulting International Manager in Schedule 1 hereto bears to the total number of shares of the International Stock set opposite the names of all the remaining non-defaulting International Managers in Schedule 1 hereto; provided, however, that the remaining non-defaulting International Managers shall not be obligated to purchase any of the Stock on the Delivery Date if the total number of shares of the Stock which the defaulting International Manager or International Managers agreed but failed to purchase on such date exceeds 9.9% of the total number of shares of the Stock to be purchased on the Delivery Date, and any remaining non-defaulting International Manager shall not be obligated to purchase more than 110% of the number of shares of the Stock which it agreed to purchase on the Delivery Date pursuant to the terms of Section 2. If the foregoing maximums are exceeded, the remaining non-defaulting International Managers, or those other underwriters satisfactory to the Lead Managers who so agree, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Stock to be purchased on the Delivery Date. If the remaining International Managers or other underwriters satisfactory to the Lead Managers do not elect to purchase the shares which the defaulting International Manager or International Managers agreed but failed to purchase on the Delivery Date, this Agreement shall terminate without liability on the part of any non-defaulting International Manager or the Company, except that the Company will continue to be liable for the payment of expenses to the extent set forth in Sections 6 and 11. As used in this Agreement, the term "International Manager" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedule 1 hereto who, pursuant to this Section 9, purchases International Stock which a defaulting International Manager agreed but failed to purchase.

Nothing contained herein shall relieve a defaulting International Manager of any liability it may have to the Company for damages caused by its default. If other International Managers are obligated or agree to purchase the Stock of a defaulting or withdrawing International Manager, either the Lead Managers or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes that, in the opinion of counsel for the Company or counsel for the International Managers, may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement.

10. Termination. The obligations of the International Managers hereunder may be terminated by the Lead Managers by notice given to and received by the Company prior to delivery of and payment for International Stock if, prior to that time, any of the events described in Sections 7(l), 7(m) or 7(n) shall have occurred or if the International Managers shall decline to purchase the Stock for any reason permitted under this Agreement.

11. Reimbursement of International Managers' Expenses. If the Company shall fail to tender the Stock for delivery to the International Managers by reason of any failure, refusal or inability on the part of the Company to perform any agreement on its part to be performed, or because any other condition of the International Managers' obligations hereunder required to be fulfilled by the Company is not fulfilled, the Company will reimburse the International Managers for all reasonable out-of-pocket expenses (including fees and disbursements of counsel) incurred by the International Managers in connection with this Agreement and the proposed purchase of the International Stock, and upon demand the Company shall pay the full amount thereof to the Lead Managers. The Company shall have no liability to any of the International Mangers for damages on account of loss of anticipated profits form the proposed sale by them of the International Stock.

12. Notices, etc. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the International Managers, shall be delivered or sent by mail, telex or facsimile transmission to Lehman Brothers International (Europe), c/o Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (Fax: 212-526-6588), with a copy, in the case of any notice pursuant to Section 8(c), to the Director of Litigation, Office of the General Counsel, Lehman Brothers International (Europe), c/o Lehman Brothers Inc., Three World Financial Center, 10th Floor, New York, NY 10285;

(b) if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Charles C. Green, III, (Fax: (713) 570-3150), with a copy to Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019, Attention: Stephen L. Burns (Fax: (212) 474-3700);

provided, however, that any notice to an International Manager pursuant to Section 8(c) shall be delivered or sent by mail, telex or facsimile transmission to such International Manager at its address set forth in its acceptance telex to the Lead Managers, which address will be supplied to any other party hereto by the Lead Managers upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the International Managers by Lehman Brothers International (Europe), Credit Suisse First Boston (Europe), Limited, Goldman Sachs International and Smith Barney Inc.

13. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the International Managers and the Company and their respective personal representatives and successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (A) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any International Manager within the meaning of Section 15 of the Securities Act and for the benefit of each International Manager (and controlling persons thereof) who offers or sells any shares of Common Stock in accordance with the terms of the Agreement Between U.S. Underwriters and International Managers and (B) the indemnity agreement of the International Managers contained in Section 8(b) of this Agreement shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 13, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

14. Survival. The respective indemnities, representations, warranties and agreements of the Company and the International Managers contained in this Agreement or made by or on behalf on them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

15. Definition of the Terms "Business Day" and "Subsidiary". For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) "subsidiary" has the meaning set forth in Rule 405 of the Rules and Regulations.

16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK WITHOUT GIVING EFFECT TO ANY PROVISIONS RELATING TO CONFLICTS OF LAW.

17. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

18. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement among the Company, the Significant Subsidiaries and the International Managers, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

Crown Castle International Corp.

By: ________________________________

Name:

Title:

Lehman Brothers International (Europe)
Credit Suisse First Boston (Europe) Limited
Goldman Sachs International
Smith Barney Inc.

For themselves and as Lead Managers
of the several International Managers named
in Schedule 1 hereto

By Lehman Brothers International (Europe)

By: _________________________________

Name:

Title:

SCHEDULE 1

International Managers	Number of Shares
Lehman Brothers International (Europe)	
Credit Suisse First Boston (Europe) Limited	
Goldman Sachs International	
Smith Barney Inc.	
Total	6,250,000

Exhibit A

LOCK-UP AGREEMENT

August __, 1998

Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, Texas 77057

Lehman Brothers Inc.
Credit Suisse First Boston Corporation
Goldman, Sachs & Co.
Smith Barney Inc.
As Representatives of the
several U.S. Underwriters
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Lehman Brothers International (Europe)
Credit Suisse First Boston (Europe) Limited
Goldman, Sachs International
Smith Barney Inc.
As Representatives of the several
International Managers
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Ladies and Gentlemen:

The undersigned understands that Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co., and Smith Barney Inc., as the U.S. representatives of the several U.S. underwriters and Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc., as the lead managers, (together with the U.S. representatives, the "Representatives") of the several International Managers (together with the U.S. underwriters, the "Underwriters"), propose to enter into a U.S. underwriting agreement (the "U.S. Underwriting Agreement") and an international underwriting agreement (the "International Underwriting Agreement"), respectively, with Crown Castle International Corp. (the "Company") and the other Selling Stockholders named therein, providing for the public offering by the Underwriters, including the Representatives, of Common Stock, par value $.01 per share (the "Common Stock"), of the

Company (the "Public Offering"). Capitalized terms not defined herein shall have the meaning given them in the U.S. Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and undertake the Public Offering of the Common Stock of the Company and the Crown Selling Stockholders and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned agrees that, without the prior written consent of Lehman Brothers Inc., he, she or it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of the Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or any right to acquire Common Stock, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions shall not apply to: (a) the exercise of options or warrants, (b) the sale of shares of Common Stock to the Underwriters in connection with the Public Offering pursuant to the provisions of the U.S. Underwriting Agreement and the International Underwriting Agreement, as applicable, (c) if the undersigned is an individual and is an employee of the Company as of the date of the Prospectus (other than any Crown Selling Stockholder or Executive Selling Stockholder), the sale of up to 12% of the shares of Common Stock in the aggregate beneficially owned by the undersigned as of the date of the Prospectus in compliance with the registration requirements of the Securities Act pursuant to a valid exemption therefrom; provided that if the undersigned relies on the exception in clause (b) above, then the aggregate number of shares that may be sold pursuant to this clause (c) shall be reduced by the number of shares sold pursuant to clause (b) above, or (d) transfers, without consideration, of the Common Stock or any securities convertible into, or exercisable or exchangeable for, Common Stock (1) if the undersigned is a natural person, to family members of the undersigned, to one or more trusts established for the benefit of one or more family members of the undersigned or to trusts established by the undersigned for charitable purposes or (2) if the undersigned is not a natural person, to affiliates, members, partners, shareholders or beneficiaries of the undersigned, provided in each case that each transferee executes and delivers to Lehman Brothers Inc. an agreement whereby such transferee agrees to be bound by all of the foregoing terms and provisions.

In addition, the undersigned agrees that the Company may (i) with respect to any shares of Common Stock for which the undersigned is the record holder, cause the transfer agent for the Company to note stop-transfer instructions with respect to such shares of Common Stock consistent with the foregoing paragraph on the transfer books and records of the Company and (ii) with respect to any shares of Common Stock for which the undersigned is the beneficial holder but not the record holder, cause the record holder of such shares of Common Stock to cause the transfer agent for the Company to note stop-transfer instructions with respect to such shares of Common Stock consistent with the foregoing paragraph on the transfer books and records of the Company.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this letter agreement, and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors, and assigns of the undersigned.

Very truly yours,

____

____
(Name - Please Type)

____
____
____
(Address)

____
(Social Security or Taxpayer Identification No.)

Exhibit B

FORM OF OPINION FOR ENGLISH COUNSEL FOR CTI

Exhibit C

CERTIFICATE OF CHIEF FINANCIAL OFFICER

The undersigned, Charles C. Green, III, Chief Financial Officer of Crown Castle International Corp., a Delaware corporation (the "Company"), pursuant to Section 14(p) of that certain U.S. Underwriting Agreement, dated August __, 1998 by and among the Company, the Crown Selling Stockholders named therein, the Executive Selling Stockholders named therein, the Employee Selling Stockholders named therein, the Sponsor Selling Stockholders named therein, Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co. and Smith Barney Inc., and pursuant to Section 7(k) of that certain International Underwriting Agreement, dated August __, 1998, by and among the Company, Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc., does hereby certify on behalf of the Company with respect to the registration statement on Form S-1 (File No. 333-57283) relating to the initial public offering of shares of the Company's common stock, and the Prospectus contained therein dated as of August __, 1998 and as filed with the U.S. Securities and Exchange Commission pursuant to Rule 424(b) (the "Prospectus"), that:

1. All data for numbers of tower, rooftop and communication sites (collectively, "Towers") owned, leased, managed, licensed, marketed, shared pursuant to contract, or otherwise utilized by or under the management of the Company and each of its subsidiaries (collectively, "CCIC") or Castle Transmission Services (Holdings) Ltd and its subsidiaries (collectively, "CTSH" and, together with CCIC, the "Businesses"), as presented in the Prospectus, including but not limited to such data presented under the captions identified on Schedule I hereto (such data, whether presented in tabular or text format, the "Tower Data"), have been prepared by officers of the Businesses, including the Chief Financial Officer of the Company (such officers, the "Responsible Officers").

2. All data for numbers of transmitters owned, leased, managed, licensed, marketed, shared pursuant to contract, or otherwise utilized by or under the management of the Businesses, as presented in the Prospectus, including but not limited to such data presented under the captions identified on Schedule I hereto (such statements, the "Transmitter Data"), have been prepared by the Responsible Officers.

3. All financial data for the revenue derived from or related to Tower Data and Transmitter Data, as presented in the Prospectus, including but not limited to such data presented under the captions identified on Schedule I hereto (such statements, the "Tower Revenue Statements") have been prepared by the Responsible Officers.

4. The statements regarding percentage of population coverage of analog television transmitters owned and managed by the Company, as presented in the Prospectus under the captions identified on Schedule I hereto (such statements, the "Population Coverage Statements") have been prepared by the Responsible Officers.

5. In collecting and preparing the Tower Data and the Transmitter Data, the undersigned (i) participated in meetings and conversations with the Responsible Officers and

such officers of subsidiaries of the Company and CTSH responsible for the management and evaluation of the areas of the Company's operations described in the Prospectus (the "Subsidiary Officers") and (ii) examined the books and records of the Company (including its subsidiaries), together with such schedules prepared by the Responsible Officers and the Subsidiary Officers.

6. The Tower Data and Transmitter Data is compiled by the Subsidiary Officers and Responsible Officers in a database managed by computer software sufficiently capable of maintaining and manipulating such data.

7. The Tower Data and Transmitter Data is collected in the database pursuant to established procedures for tracking the number of Towers owned, leased, managed, licensed, marketed, shared pursuant to contract, or otherwise utilized by or under the management of the Company, indicating (i) which corporate entity of the Businesses exercises control over such Tower or installed transmitter, (ii) the geographic location of such Tower or installed transmitter and (iii) in the case of communications sites, the number of towers located at such site and the status of such site (e.g., site identification, acquisition, development, construction, commissioning or operational), and such procedures include:

(a) in the case of Tower ownership, (1) each tower constructed by the Businesses is entered into the database at the time of commissioning of such tower and (2) each tower acquired by the Businesses, whether individually or in connection with the acquisition of a business that owns such tower, is entered into the database at the time of acquisition, and if any owned tower is sold to a third party not part of the Businesses, such tower is removed from the database at the time of such sale;

(b) in the case of Tower leasing or licensing, each tower, rooftop or communications site leased or licensed to the Businesses is entered into the database at the time the lease is executed or the license is granted, and removed from the database at the time the lease is terminated or license is revoked or terminated; and

(c) in the case of Tower management, marketing, sharing pursuant to contract or other utilization, each Tower managed, marketed, shared or utilized by the Businesses is entered into the database at the time the contract relating to such tower is executed and is removed from the database at the time the contract is terminated.

8. In preparing the Tower Revenue Statements, the undersigned (i) participated in meetings and conversations with the Responsible Officers and the Subsidiary Officers and (ii) examined the books and records of the Company (including its subsidiaries), together with such schedules prepared by the Responsible Officers and the Subsidiary Officers.

9. The Tower Revenue Statements were prepared by the Subsidiary Officers and Responsible Officers based on the Tower Data and the Transmitter Data and the Company's consolidated financial statements and the financial statements of the subsidiaries of the Company. The preparation of the Tower Revenue Statements included:

(a) in the case of owned towers, each Tower Revenue Statement states the actual gross revenue paid to the Company by all tenants and users of the relevant tower, rooftop or communication site during the period indicated (and unless specifically indicated otherwise in the Prospectus, all such Tower Revenue Statements measure actual gross revenue paid to the Company on a monthly basis); and

(b) in the case of tower leasing, licensing, management or marketing, each Tower Revenue Statement states the actual net income to the Company paid by all tenants and users of the relevant tower, rooftop or communication site during the period indicated (and unless specifically indicated otherwise in the Prospectus, all such Tower Revenue Statements measure actual net income paid to the Company on a monthly basis).

10. The Businesses are implementing procedures that will enable the Company's independent auditors to verify the Tower Data, the Transmitter Data and the Tower Revenue Statements.

11. The Population Coverage Statements are based on propagation characteristics of the geographic area surrounding the broadcast transmission sites and the range capability of the typical transmitters installed by the Businesses at such sites; and to the knowledge of the undersigned after reasonable inquiry with the Responsible Officers and the Subsidiary Officers, such Population Coverage Statements or comparable coverage data have not been contradicted by the Director General of the U.K. Office of Telecommunications or any other relevant regulatory agency.

12. The undersigned hereby represents and warrants that the Tower Data, Transmission Data, the Tower Revenue Statements and the Population Coverage Statements presented in the Prospectus are true and accurate. The undersigned hereby further represents and warrants that the procedures outlined above were undertaken by the Responsible Officers and the Subsidiary Officers and that the compilation of the data that comprise the Tower Data, Transmission Data, the Tower Revenue Statements and the Population Coverage Statements was performed by the Responsible Officers and Subsidiary Officers in good faith and using such judgment and is typically used by them in the management and evaluation of the Company's operations.

IN WITNESS WHEREOF, the undersigned has hereunto signed his name on behalf of the Company this __ day of August, 1998.

By: ________________________________
Name: Charles C. Green, III
Title: Chief Financial Officer

SCHEDULE I

The Tower Data, Transmitter Data, Tower Revenue Statements and Population Coverage Statements are principally located under the following captions in the Prospectus:

- "Prospectus Summary--The Company"
- "Prospectus Summary--Background"
- "Prospectus Summary--Summary Unaudited Pro Forma Financial and Other Data" and the notes thereto
- "Prospectus Summary--Summary Financial and Other Data of CCIC" and the notes thereto
- "Prospectus Summary--Summary Financial and Other Data of CTI" and the notes thereto
- "Risk Factors--Risks Associated with Construction and Acquisition of Towers"
- "Risk Factors--Reliance on Significant Agreements"
- "Selected Financial and Other Data of CCIC" and the notes thereto
- "Selected Financial and Other Data of Crown"
- "Selected Financial and Other Data of CTI"
- "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations". "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources"
- "Industry Background--Trends in the Wireless Communications and Broadcasting Industries"
- "Business"
- "Business--Background"
- "Business--U.S. Operations"
- "Business--U.K. Operations"

Exhibit 4.6

INCORPORATED UNDER THE
LAWS OF THE STATE OF DELAWARE
[LOGO]
CROWN CASTLE INTERNATIONAL CORP.

NUMBER___________	___________ SHARES
COMMON STOCK	PAR VALUE $0.01
THIS CERTIFICATE IS TRANSFERABLE	CUSIP 228 227 104
IN NEW YORK, NEW YORK AND	SEE REVERSE FOR CERTAIN INSTRUCTION
RIDGEFIELD PARK, NJ	

This certifies that ____

is the owner of ____

FULLY PAID AND NONASSESSABLE SHARES OF THE COMMON STOCK OF

CROWN CASTLE INTERNATIONAL CORP. transferable on the books of the Corporation by the holder hereof in person or by attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:____________________

COUNTERSIGNED AND REGISTERED
Chase Mellon Shareholder Services,L.L.C
TRANSFER AGENT

__________________________	________________	BY______________________
CHIEF EXECUTIVE OFFICER	SECRETARY	AUTHORIZED SIGNATURE

[CORPORATE SEAL]

[LOGO]

CROWN CASTLE INTERNATIONAL CORP.

The Corporation will furnish to any stockholder, upon request and without charge, a full statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof which the Corporation is authorized to issue and the qualifications, limitations or restrictions of such preferences and/or rights of each class of stock or series thereof. Any such release should be made to the Secretary of the Corporation at its principal place of business or to the Transfer Agent and Registrar.

The following abbreviation, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT - _______ Custodian _______ (Cust) (Minor)
TEN ENT - as tenants by the entireties	Under Uniform Gift. Minors Act _____________________ (State)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For Value Received, ______________________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

____

____

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE

____

____

____ Shares of the Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint ____ Attorney to register the transfer of the said shares of Common Stock on the books of the within named Corporation, with full power of substitution in the premises.

Dated __________________________

NOTICE

THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE WITHOUT ALTERATION OR ANY CHANGE WHATEVER

X ______________________________
(SIGNATURE)

X ______________________________
(SIGNATURE)

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE PROGRAM PURSUANT TO S.E.C. RULE 17Ad-15.

SIGNATURE(S) GUARANTEED BY:

EXHIBIT 5

[Letterhead of]

CRAVATH, SWAINE & MOORE
[NEW YORK OFFICE]

(212) 474-1000

AUGUST 11, 1998

Crown Castle International Corp.
Registration Statement on Form S-1
(Registration No. 333-57283)

Ladies and Gentlemen:

We have acted as counsel to Crown Castle International Corp., a Delaware corporation (the "Company"), in connection with the preparation of the registration statement on Form S-1 (Registration No. 333-57283) and the amendments thereto (the "Registration Statement") initially filed with the Securities and Exchange Commission (the "Commission) on June 19, 1998 for the registration under the Securities Act of 1933, as amended (the "Act"), of up to an aggregate of 35,937,500 shares of the Company's Common Stock, par value $.01 per share (the "Common Stock"), to be sold in a proposed public offering (the "Offering") (such shares being referred to herein as the "Shares"), all as set forth in the Registration Statement.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary for the purposes of this opinion, including the following: (a) the Restated Certificate of Incorporation of the Company (the "Restated Certificate"), (b) the Amended and Restated Bylaws of the Company, (c) resolutions adopted by the Board of Directors of the Company on June 2, 1998 June 12 1998, July 10, 1998 July 15, 1998 and July 24, 1998 in connection with the authorization and issuance of the Common Stock being sold by the Company and the sale of the Shares by the Company and the selling stockholders and (d) an officer's certificate of the Company with respect to its issued and outstanding shares of capital stock.

Based upon the foregoing and in reliance thereon, and subject to (i) compliance with applicable state securities laws, (ii) receipt from the Securities and Exchange Commission of an order declaring the Registration Statement effective and (iii) the filing with the Secretary of State of the State of Delaware of the Restated Certificate, it is our opinion that the Shares, when issued, delivered and paid for pursuant to and in accordance with the Registration Statement (and pertinent exhibits thereto), will be validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Validity of Common Stock" in the Prospectus forming a part of said Registration Statement. We further consent to the incorporation of this opinion by reference as an exhibit to any related Rule 462(b) Registration Statement. In giving these consents, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission.

Very truly yours,

Cravath, Swaine & Moore

Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, TX 77057

EXHIBIT 10.29

SEVERANCE AGREEMENT, dated __________, 1998 by and between Crown Castle International Corporation (the "Company") and __________ (the "Executive").

This Agreement sets forth the terms and conditions of contingent severance arrangements between Crown Castle International Corporation and the Executive and cancels and supersedes all other severance-related agreements between the parties. This Agreement shall be effective on, and not effective until, an initial public offering of the stock of the Company.

I. DEFINITIONS

For all purposes hereof, the following defined terms have the meanings set forth below:

1.1 "Accrued Obligations" means all (i) accrued but unpaid Base Salary to the Executive's Date of Termination, (ii) any earned but unpaid bonus, and (iii) any benefits for which the Executive is eligible under the terms of any benefit plan or arrangement of the Company or its subsidiaries.

1.2 "Annual Bonus" means the highest annual bonus payable to the Executive for service during the Term, excluding any special or one-time bonus payments.

1.3 "Base Salary" means the greater of (i) the Executive's annual base salary as of the date of his Qualifying Termination (without taking into account any reductions that constitute Good Reason) or (ii) if applicable, the Executive's annual base salary in effect on the date of a Change in Control.

1.4 "Cause" means (i) the Executive's conviction of, or plea of guilty or nolo contendere to, any criminal violation involving dishonesty, fraud or breach of trust, or any felony which materially adversely affects the Company or (ii) willful engagement by the Executive in gross misconduct in the performance of duties owed the Company that materially adversely affects the Company.

1.5 "Change in Control" has the meaning set forth on Schedule 1 hereto.

1.6 "Change in Control Period" means the period beginning on the date of a Change in Control and ending on the second anniversary of that Change in Control.

1.7 "Company" means Crown Castle International Corporation and any successors thereto.

1.8 "Date of Termination" means the effective date of the termination of the Executive's employment with the Company and its subsidiaries as set forth in the Notice of Termination.

1.9 "Disability" means the Executive's inability to perform the primary duties of his position for at least 180 consecutive days due to a physical or mental impairment.

1.10 "Good Reason" means (i) the assignment to the Executive of any duties materially inconsistent with the Executive's position, authority, duties or responsibilities as of the date hereof or as of the date immediately preceding a Change in Control, if applicable, or any other action by the Company that results in a material diminution in such position, authority, duties or responsibilities; (ii) a decrease in the Executive's Base Salary or annual or long term bonus opportunity; (iii) a material reduction in any material benefits or other compensation provided to the Executive; or (iv) the Company's requiring the Executive to be based at any office or location outside the Houston metropolitan area; (iv) the Company's material failure to comply with its obligations under this Agreement; or (v) the Company giving Notice (as defined in Section 2.1(i)). For purposes of any determination regarding the existence of Good Reason during the Change in Control Period, any good faith determination by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes by clear and convincing evidence that Good Reason does not exist.

1.11 "Non-Qualifying Termination" means any termination of the Executive's employment with the Company and its subsidiaries other than a Qualifying Termination.

1.12 "Notice of Termination" means a written notice of the termination of the Executive's employment that (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail, if applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date. The failure by the Executive to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of the Executive hereunder or preclude the Executive from asserting such fact or circumstance in enforcing the Executive's rights hereunder.

1.13 "Qualifying Termination" means (i) the Company's termination of the Executive's employment with the Company for any reason other than for Cause or Disability or (ii) the Executive's termination of employment with the Company within 60 days of the occurrence of an event that constitutes Good Reason. A transfer of the Executive to any subsidiary of the Company or the Executive's death shall not be considered a termination of employment hereunder.

II. TERM AND POSITION

2.1 Term. This Agreement is effective as of August __, 1998 ("Commencement Date") and terminates on the fifth anniversary of the Commencement Date (the "Term"); provided that, (i) beginning on the fifth anniversary of the Commencement Date and each anniversary thereafter (each, an "Anniversary Date") the term shall be extended by twelve months unless either party provides notice (the "Notice") at least 60 days before any such Anniversary Date of their intent to terminate this Agreement as of such Anniversary Date, (ii) except as provided in (iii), below, the Term will automatically expire on the Executive's 65th birthday without the necessity of any notice from the Executive or the Company and (iii) notwithstanding (ii), above, if a Change in Control occurs during the Term, this Agreement shall not expire until the later of (a) the expiration of the Term or (b) the end of the Change in Control Period.

2.2 Position. During the Term, the Executive shall serve as the ______________.

III. TERMINATION OF EMPLOYMENT

3.1 Termination by the Executive.

(a) Termination for Good Reason. The Executive may terminate his employment during the Term for Good Reason by delivering a Notice of Termination to the Company in accordance with Section 5.6 within 60 days of the occurrence of the event purported to constitute "Good Reason" hereunder. With respect to any termination for Good Reason during the Change in Control Period, any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(b) Termination Without Good Reason. The Executive may terminate his employment during the Term without Good Reason by delivering a Notice of Termination to the Company in accordance with Section 5.6 at least 15 days prior to the effective date of such termination.

3.2 Termination by the Company.

(a) Termination for Cause. The Company may terminate the Executive's employment during the Term for Cause by delivering to the Executive in accordance with Section 5.6 a Notice of Termination and a copy of a resolution, duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board of Directors of the Company (the "Board"), including at least 66 2/3% of those members of the Board who are not employees of the Company at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Executive was guilty of conduct specified in the definition of "Cause".

(b) Termination Without Cause. The Company may terminate the Executive's employment during the Term without Cause by delivering a Notice of Termination to the Executive in accordance with Section 5.5.

3.3 Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Term. If the Company determines in good faith that the Disability of the Executive has occurred during the Terms, it may give to the Executive a Notice of Termination in accordance with Section 5.5 of this Agreement. In such event, the Executive's employment shall terminate effective on the 30th day after receipt of such notice, provided that within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties.

IV. BENEFITS UPON TERMINATION

4.1 Qualifying Termination Not Within the Change in Control Period. If, during the Term, the Executive's employment with the Company and its subsidiaries is terminated in a Qualifying Termination and such termination does not occur during a Change in Control Period:

(a) the Company shall pay to the Executive in a cash lump sum within 30 days after the Date of Termination, the sum of (i) all Accrued Obligations and (ii) the product of two and the sum of the Executive's Base Salary and Annual Bonus;

(b) for two years following the Date of Termination, or such longer period as any plan, program, practice or policy may provide, the Company shall continue medical, dental, vision, and death benefits to the Executive and/or the Executive's family at a level at least equal to those that would have been provided if the Executive's employment had not been terminated under the plans, practices, programs or policies of the Company applicable to the Executive as of his Date of Termination; and

(c) all options to acquire stock of the Company and all restricted stock awards held by the Executive shall become immediately vested and such options shall become immediately exercisable and shall remain exercisable until the earlier of (i) the date specified in the applicable option agreement between the Executive and the Company or (ii) the normal expiration date of any such option.

4.2 Qualifying Termination During the Change in Control Period. If, during the Term, the Executive's employment with the Company and its subsidiaries is terminated in a Qualifying Termination and such termination occurs during a Change in Control Period:

(a) the Company shall pay to the Executive in a cash lump sum within 30 days after the Date of Termination, the sum of (i) all Accrued Obligations and (ii) the product of three and the sum of the Executive's Base Salary and Annual Bonus;

(b) for three years following the Date of Termination, or such longer period as any plan, program, practice or policy may provide, the Company shall continue medical, dental, vision, and death benefits to the Executive and/or the Executive's family at a level at least equal to those that would have been provided if the Executive's employment had not been terminated under the plans, practices, programs or policies of the Company applicable to the Executive as of his Date of Termination; and

(c) all options to acquire stock of the Company and all restricted stock awards held by the Executive shall become immediately vested and such options shall become immediately exercisable and shall remain exercisable until the earlier of (i) the date specified in the applicable option agreement between the Executive and the Company or (ii) the normal expiration date of any such option.

Any provision in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (x) was at the request of a third party who had taken steps reasonably calculated to effect the Change in Control or (y) otherwise arose in connection with or anticipation of the Change in Control, then for all purposes of this Agreement the termination of the Executive's employment shall be deemed to have occurred during a Change in Control Period.

4.3 Non-Qualifying Termination. If the Executive's employment with the Company and its subsidiaries is terminated in a Non-Qualifying Termination, this Agreement shall terminate without further obligations to the Executive other than the Accrued Obligations.

4.4 Excise Tax Payments.

(a) Notwithstanding anything in the Agreement to the contrary, in the event of the determination (as hereinafter provided) that any required payment by the Company to or for benefit of the Executive (whether paid or payable pursuant to the terms of the Agreement or otherwise (individually and collectively, "Payment")) would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any successor provision thereto (the "Excise Tax"), the Executive shall be entitled to receive an additional payment or payments (individually or collectively, "Tax Assistance

Payment"), which shall include an amount such that, after the Executive pays (1) all taxes (including any interest or penalties imposed with respect to such taxes) and (2) any Excise Tax (including interest and penalties with respect thereto) imposed upon the Tax Assistance Payment, the Executive retains so much of the Tax Assistance Payment as is equal to the Excise Tax (including interest and penalties with respect thereto) imposed on the Payment.

(b) Subject to the provisions hereinafter concerning the provision of notice of a claim by the Internal Revenue Service, all determinations required to be made under these provisions, including whether an Excise Tax is payable by the Executive, the amount of such Excise Tax and whether the Company is required to pay the Executive a Tax Assistance Payment and the amount of such Tax Assistance Payment, if any, shall be made by the Company's independent accountants or such other nationally recognized accounting firm retained by the Company and reasonably acceptable to the Executive ("Accounting Firm"). The Company shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Executive and the Company within thirty (30) days after the payment or provision of any benefit that could give rise to an Excise Tax and any such other time or times as the Executive or the Company may request. If the Accounting Firm determines that any Excise Tax is payable by the Executive, the Company shall pay the required Tax Assistance Payment to the Executive within ten (10) business days after the Company receives such determination and calculations with respect to any Payment to the Executive.

(c) Any federal tax returns the Executive files shall be prepared and filed on a basis consistent with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. If the Accounting Firm determines that the Executive is required to pay no Excise Tax, it shall (at the same time it makes such determination) furnish the Executive and the Company an opinion that the Executive has substantial authority not to report any Excise Tax on the Executive's federal income tax return. However, in view of the uncertainty concerning application of Section 4999 of the Code (or any successor provision thereto) at the time of any determination made hereunder by the Accounting Firm, it is possible that a Tax Assistance Payment that should have been made by the Company will not have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event the Company exhausts or fails to pursue its remedies pursuant to the provisions concerning notice of a claim by the Internal Revenue Service, and the Executive thereafter is required to make a payment of any Excise Tax, the Executive shall direct the Accounting Firm to determine the amount of the Underpayment and to submit its determination and detailed supporting calculations as promptly as possible both to the Executive and to the Company, which shall pay the amount of such Underpayment to the Executive or for the Executive's benefit within ten (10) business days following the Company's receipt of such determination and calculations.

(d) Each of the Executive and the Company shall provide the Accounting Firm access to and copies of any books, records and documents in the Executive's or its possession, as the case may be, reasonably requested by the Accounting Firm, and shall otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination and calculations required or contemplated hereunder.

(e) The Company shall bear the fees and expenses of the Accounting Firm for services hereunder. If, for any reason, the Executive initially pays such fees and expenses, the Company shall reimburse the Executive the full amount of the same within ten (10) business days following receipt from the Executive of a statement and reasonable evidence of the Executive's payment thereof.

(f) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the Company to pay a Tax Assistance Payment. The Executive shall give such notification as promptly as practicable, but in no event later than the tenth (10th) business day next following the Executive's receipt of such claim, and the Executive further shall apprise the Company of the nature of such claim and the date on which it is required to be paid (in each case, to the extent known to the Executive). The Executive shall not pay or otherwise satisfy such claim prior to the earlier of (a) the expiration of the thirty (30)-calendar-day period next following the date on which the Executive gives notice to the Company or (b) the date any payment of the amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) provide the Company any written records or documents in the Executive's possession relating to such claim and reasonably requested by the Company;

(ii) take such action in connection with contesting such claim as the Company reasonably shall request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim, provided, however, that the Company directly shall bear and pay all costs and expenses (including without limitation, interest and penalties) incurred in connection with such contest and shall indemnify the Executive and hold the Executive harmless, on an after-tax basis, from and against any and all Excise Tax or income tax (including without limitation, interest and penalties with respect thereto), imposed as a result of such claim and payment of costs and expenses. Without limiting the foregoing, the Company shall control all proceedings taken in connection with the contest of any claim contemplated by these provisions and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that the Executive may participate therein at the Executive's own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay the tax claimed and to sue for a refund, the Company shall advance the amount of such payment to the Executive, and pay on a current basis all costs of litigation, including without limitation attorneys' fees, on an interest-free basis and shall agree to and shall indemnify the Executive and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including without limitation, interest and penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the Executive's taxable year with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim shall be limited to issues with respect to which a Tax Assistance Payment would be payable hereunder, and the Executive shall be entitled to settle or to contest, as the case may be, any other issue(s) raised by the Internal Revenue Service or any other taxing authority.

(g) If, after the Executive receives an amount advanced by the Company pursuant to provisions of the last full paragraph, the Executive receives any refund with respect to such claim, the Executive shall (subject to the Company's complying with any applicable provisions of the same paragraph) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the Executive receives such an amount advanced by the Company, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to expiration of thirty (30) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid, and the amount of such advance shall offset, to the extent thereof, the amount of the Tax Assistance Payment the Company is required to pay the Executive hereunder.

V. MISCELLANEOUS PROVISIONS

5.1 Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices, provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other agreements with the Company or any of its affiliated companies; provided that, by executing this Agreement, the Executive acknowledges his ineligibility for, and waives any other right he may have to receive, any other severance or termination benefits provided by the Company or its subsidiaries. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company or any of its affiliated companies (other than any severance plan or program) at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

5.2 Other. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement. The Company agrees to pay, from time to time promptly upon invoice, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest or controversy (regardless of the outcome thereof and whether or not litigation is involved) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

5.3 Confidential Information.

(a) During the Term and thereafter, the Executive shall not, without the written consent of the Chief Executive Officer of the Company, disclose to any person, other than an employee of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of his duties as an executive of the Company, any material confidential information obtained by him while in the employ of the Company or its subsidiaries with respect to any of the products, improvements, formulas, designs or styles, processes, customers, methods of distribution or methods of manufacture of the Company or its subsidiaries, the disclosure of which he knows will be materially damaging to the Company; provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive) or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that conducted by the Company.

(b) Any and all inventions made, developed or created by the Executive (whether at the request or suggestion of the Company or otherwise, whether alone or in conjunction with others, and whether during regular hours of work or otherwise) during the period of his employment by the Company or its subsidiaries, which may be directly or indirectly useful in, or relate to, the business of or tests being carried out by the Company or any of its subsidiaries or affiliates, will be promptly and fully disclosed by the Executive to an appropriate executive officer of the Company and shall be the Company's exclusive property as against the Executive, and the Executive will promptly deliver to an appropriate executive officer of the Company all papers, drawings, models, data and other material relating to any invention made, developed or created by him as aforesaid.

(c) The Executive will, upon the Company's request and without any payment therefor, execute any documents necessary or advisable in the opinion of the Company's counsel to direct issuance of patents to the Company with respect to such inventions as are to be the Company's exclusive property as against the Executive under Section 5.3 (b) above or to vest in the Company title to such inventions as against the Executive; *provided, however*, that the expense of securing any such patent will be borne by the Company.

(d) The foregoing provisions of this Section 5.3 shall be binding upon the Executive's heirs, successors and legal representatives.

(e) In no event shall an asserted violation of the provisions of this Section 5.3 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

5.4 *Successors.*

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

5.5 Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Home address as currently shown
on Human Resources Department records
of Executive's business unit.

With a copy to:

If to the Company:

Attention: Corporate Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

5.6 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

5.7 The Company may withhold from any amount payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

5.8 The Executive's failure to insist upon strict compliance with any provision hereof shall not be deemed to be a waiver of such provision or any other provision thereof.

5.9 This Agreement contains the entire understanding of the Company and the Executive with respect to the subject matter hereof.

5.10 The Executive and the Company acknowledge that the employment of the Executive by the Company is "at will".

5.11 Choice of Law. This Agreement shall be governed by the law of Texas, without regard to its choice of law provisions.

IN WITNESS WHEREOF, the Executive and the Company have entered into this Agreement as of the date first written above.

CROWN CASTLE INTERNATIONAL CORP.

By_____________________________
Title:

____

SCHEDULE 1

(a) the acquisition by any individual, entity or group (within the meaning of Sections 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 45% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); *provided, however*, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition by the Company if no Person (excluding those Persons described in this proviso) owns more than 45% or more of the outstanding Company Common Stock or Company Stock Voting Securities after such acquisition, (ii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (iii) any acquisition by a corporation pursuant to a reorganization, merger or consolidation, if, following such reorganization, merger or consolidation, the conditions described in clauses (i), (ii) and (iii) of subsection (c), below, are satisfied or (iv) any acquisition by any Person who beneficially owns (as defined in Rule 13d-3 of the Exchange Act) 15% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities as of the date hereof to the extent such Person (after such acquisition) beneficially owns less than 50% of the Outstanding Company Common Stock and Outstanding Company Voting Securities;

(b) individuals who constitute the Board as of the date immediately after an initial public offering of the Company's stock (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) the occurrence of a reorganization, merger, or consolidation, unless, following such reorganization, merger or consolidation, (i) more than 50% of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such reorganization, merger or consolidation in substantially the same proportions as their ownership, immediately prior to such reorganization, merger or consolidation, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such reorganization, merger or consolidation and any Person beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 45% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 45% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation; or

(d) the occurrence of: (i) a complete liquidation or dissolution of the Company, (ii) the sale or other disposition of all or substantially all of the assets of the Company, or (iii) a similar transaction or series of transactions, other than to a corporation, with respect to which following such sale or other disposition, (A) more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding the Company and any employee benefit plan (or related trust) of the Company or such corporation and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 45% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 45% or more of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (C) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company.

EXHIBIT 10.45

Dated: 16 July 1998

The British Broadcasting Corporation

and

Castle Transmission International Limited

AMENDING AGREEMENT

LINKLATERS & PAINES
One Silk Street
London EC2Y 8HQ

Tel: (+44) 171-456 2000

Ref: RMBD/NA

THIS AGREEMENT is made on 16 July 1998 BETWEEN:

(1) THE BRITISH BROADCASTING CORPORATION, a corporation incorporated under Royal Charter, whose principal office is at Broadcasting House, Portland Place, London W1A 1AA ("BBC"); and

(2) CASTLE TRANSMISSION INTERNATIONAL LIMITED (registered number 3196207) whose main place of business is Warwick Technology Park, Heathcote Lane, Warwick CV34 5DS ("TXCO").

WHEREAS:

(A) On 27th February 1997, the BBC and TxCo entered into a Transmission Agreement under which TxCo agreed to provide the BBC with transmission services for BBC's programmes and services.

(B) Following a review of the operation of the Transmission Agreement, the parties wish to amend the Transmission Agreement as set out in this Agreement.

IN CONSIDERATION OF THE MUTUAL PROMISES SET OUT IN THIS AGREEMENT IT IS AGREED as follows:

1 INTERPRETATION

In this Agreement unless the context otherwise requires:

1.1 DEFINITIONS
"DTT DATE" means the date on which the UK DTT industry formally launches digital terrestrial television broadcasts to the public in the United Kingdom, to be a date on or after 1 November 1998.

"TRANSMISSION AGREEMENT" means the transmission agreement between the BBC and TxCo, dated 27 February 1997;

1.2 INTERPRETATION ACT 1978
The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment.

1.3 RECITALS, CLAUSES ETC.
References to this Agreement include its Schedules and references to Recitals, Clauses, sub-Clauses and Schedules are to Recitals, Clauses and sub-Clauses of, and Schedules to, this Agreement.

1.4 HEADINGS
Headings shall be ignored in construing this Agreement.

1.5 TIME OF DAY
References to times of day are to English time unless otherwise stated.

2 AMENDMENTS TO TRANSMISSION AGREEMENT

2.1 TOC AMENDMENTS
The BBC and TxCo agree that, as and from 1 August 1998 (or an earlier date, if possible), the Transmission Agreement shall be amended in accordance with the amendments set out in Schedule 1.

2.2 DTT AMENDMENTS
The BBC and TxCo agree that (except where stated), as and from the DTT Date, the Transmission Agreement shall be amended in accordance with the amendments set out in Schedule 2.

2.3 FEES AMENDMENT
The BBC and TxCo agree that, as and from 1 April 1998, the Transmission Agreement shall be amended in accordance with the amendment set out in Schedule 3.

2.4 IMMEDIATE AMENDMENTS
The BBC and TxCo agree that, as and from the date of this Agreement, the Transmission Agreement shall be amended in accordance with the amendment set out in Schedule 4.

3 CONTINUATION OF TRANSMISSION AGREEMENT

The parties acknowledge and agree that the terms of the Transmission Agreement, and each parties' accrued rights and obligations under the Transmission Agreement, shall continue in full force and effect, subject only to the terms of this Agreement. In the event of a conflict between the terms of this Agreement and the Transmission Agreement, this Agreement shall prevail.

4 CONFIDENTIALITY

The BBC acknowledges TxCo's right to disclose details of the terms of this Agreement to its bankers and the trustee of the Guaranteed Bonds issued by TxCo's subsidiary, Castle Transmission (Finance) plc.

5 WHOLE AGREEMENT AND VARIATION

5.1 WHOLE AGREEMENT
This Agreement and the Transmission Agreement contain the whole agreement between the parties relating to the amendments which are the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract. Each party acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it.

5.2 VARIATION
No variation of this Agreement shall be effective unless made in accordance with the terms of clause 5.3 the Transmission Agreement.

6 NOTICES

6.1 ADDRESSES
Any notice, claim or demand in connection with this Agreement (each a "NOTICE") shall be sufficiently given if given in accordance with the terms of the Transmission Agreement.

7 GOVERNING LAW AND SUBMISSION TO JURISDICTION

7.1 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English law.

Signed on behalf of the BRITISH }
BROADCASTING CORPORATION }
by: }

SIGNED ON BEHALF OF THE CASTLE }
TRANSMISSION INTERNATIONAL }
LIMITED BY: }

EXHIBIT 10.52

MEMORANDUM

Re: Proposed Initial Public Offering of Equity Securities by Crown Castle International Corp. and Certain Transitional Changes Affecting Management of Crown Castle

This memorandum is intended to summarize the terms and conditions under which Robert A. Crown and Barbara A. Crown would agree to participate in the proposed initial public offering of equity securities by Crown Castle International Corp. ("Crown Castle") and in the implementation of certain transitional changes affecting management of Crown Castle.

A. Background

1. Robert A. Crown and Barbara A. Crown (together with certain trusts established by them, the "Crowns") currently own an aggregate of 1,465,000 shares of Class B Common Stock of Crown Castle. Crown Castle has granted options to Robert A. Crown to acquire 17,500 shares of Class B Common Stock at an exercise price of $37.54 per share.

2. Crown Castle has advised the Crowns of its intention to complete an initial public offering (the "Offering") of its Common Stock. The Offering is expected to be underwritten on a firm commitment basis by a syndicate led by Lehman Brothers, Credit Suisse First Boston, Goldman, Sachs & Co. and Salomon Smith Barney (collectively, the "Underwriters"). Crown Castle expects to file a registration statement with the Securities and Exchange Commission ("SEC") with respect to the proposed Offering on or before June 19, 1998 and, subject to market conditions, to complete the Offering by the first week of October, 1998.

3. Crown Castle has advised the Crowns that the Offering will be completed contemporaneous with a Share Exchange Agreement dated April 20, 1998 (the "Exchange Agreement"), pursuant to which (i) all the shareholders of Castle Transmission Services (Holdings) Ltd. ("CTSH") (other than Crown Castle, Telediffusion de France International S.A. ("TDF") and an affiliate of TDF) will exchange their shares of capital stock of CTSH for newly issued shares of Common Stock of Crown Castle, (ii) the affiliate of TDF will exchange its shares of capital stock of CTSH for newly issued shares of Class A Common Stock of Crown Castle, and (iii) CTSH will become an 80% owned subsidiary of Crown Castle and TDF will own the remaining 20% of CTSH. These transactions are collectively referred to as the "Rollup." Contemporaneous with the Rollup, certain existing stockholders of Crown Castle will be requested to execute a Stockholders Agreement (the "New Stockholders Agreement"), which is intended to amend and restate the existing Amended and Restated Stockholders Agreement dated as of August 15, 1997, as amended (the "Existing Stockholders Agreement"). The Crowns have advised Crown Castle that they would be willing to become parties to the New Stockholders Agreement, subject to satisfactory completion of the matters set forth herein. Concurrently with the Rollup, Crown Castle will complete a recapitalization pursuant to which, among other things, the Crowns would exchange their shares of Class B Common Stock for 1,465,000 shares of newly issued Common Stock of Crown Castle, and the outstanding options held by Mr. Crown will be modified so that they apply to 17,500 shares of Common Stock.

4. The parties acknowledge that the implementation of certain of the arrangements set forth herein will require modification to certain provisions of the New Stockholders Agreement and such modification shall require, and be subject to, the approval of all parties to the New Stockholders Agreement. In addition to any approval required pursuant to the previous sentence, the parties acknowledge that this memorandum (or certain provisions hereof) may require the approval of TDF under the Exchange Agreement and this memorandum (or such provisions, as applicable) shall be subject to any such approval of TDF prior to the closing of the Offering. Crown Castle will use its best efforts to obtain, as soon as possible, all such approvals and any other consents or approvals as may be required to implement the provisions of this memorandum.

B. Sale of Crown Stock in the Offering

1. The parties intend for the Offering to be structured in a manner that will allow the Crowns to sell (a) 50% (or such lesser percentage as the Crowns may determine) of their current holdings of shares of Crown Castle Common Stock and (b) any additional shares that the managing underwriter of the Offering shall be of the opinion would not adversely affect the marketing of the shares of Common Stock to be sold by Crown Castle in the Offering. Crown Castle will pay for all registration and filing fees, printing expenses, fees and disbursements of counsel for Crown Castle and the Crowns and independent public accountants for Crown Castle, fees and expenses (including counsel fees) incurred in connection with complying with state securities or "blue sky" laws, fees of the National Association of

Securities Dealers, Inc., transfer taxes and fees of transfer agents and registrars associated with such sale by the Crowns. If, after the marketing of the Common Stock has commenced, the managing underwriter is of the opinion that the number of shares to be offered in the Offering should be reduced, the number of shares offered by the Crowns and Crown Castle in the Offering shall be reduced pro rata in proportion to the aggregate number of shares offered by each of the Crowns and Crown Castle in the preliminary prospectus ("red herring") in connection with the Offering. The parties understand that there can be no assurance that the Offering will occur or that the Crowns will be able to sell 50% of their current holdings of shares of Crown Castle Common Stock in the Offering.

2. Upon the successful closing of the Offering (as defined in item D.8., below), Crown Castle will grant to Robert A. Crown additional options to purchase 125,000 shares of Common Stock at the initial public offering price (granted in lieu of options from the existing stock option pool, which is being terminated). The terms of such options will be consistent with those of options to be granted to other members of most senior executive level of management at the time of the Offering, but all options granted to Mr. Crown will vest no later than the termination, for any reason, of Mr. Crown's employment by Crown Castle.

3. Crown Castle will grant to Mr. Crown options to purchase 10,000 shares of Common Stock at $37.54 per share, fully vested immediately (granted in lieu of 1997 performance bonus), whether or not the Offering is successful.

4. Mr. Crown's existing options to purchase up to 17,500 shares of Crown Castle Common Stock shall be fully vested prior to the closing of the Offering.

5. Crown Castle will confirm that the options referred to in items B.2, B.3 and B.4, above, and in item C.3, below, have been granted under circumstances such that they are exempt from liability under Section 16 of the Securities Exchange Act of 1934, as amended, pursuant to Rule 16b-3 thereunder.

6. At the closing of the Offering the Crowns will execute and deliver an appropriate and customary lock-up agreement in favor of the Underwriters, so long as (a) the lock-up period extends no more than six (6) months after the closing of the Offering; (b) the lock-up agreement identifies mutually agreeable categories of permitted transferees, such as trusts or other entities controlled by the Crowns, to which the Crowns may transfer shares within such six-month period without approval by any of the Underwriters; and (c) the terms of the lock-up agreement are at least as favorable to the Crowns as those applicable to any other stockholder or officer or director of Crown Castle. If the Crowns elect to participate in the Offering, the Crowns also will execute and deliver an appropriate and customary underwriting agreement in favor of the Underwriters simultaneously with Crown Castle's execution and delivery of the same underwriting agreement, so long as, it being understood that, insofar as Crown Castle is concerned, (i) the Crowns are not required to make any representations or warranties of any nature other than (w) ownership of and clear title to the shares to be sold, (x) authority and power to enter into the underwriting

agreement and to sell their shares in the Offering, (y) upon delivery of and payment for the shares to be sold the Underwriters will acquire valid and clear title to such shares, and (z) the completeness and accuracy of the descriptions in the registration statement and prospectus prepared in connection with the Offering relating to the Crowns and provided by the Crowns to Crown Castle and/or the Underwriters specifically for use therein; (ii) the Crowns are not required to indemnify the Underwriters and their affiliates other than for losses, claims, damages or liabilities arising in connection with an untrue statement or omission in the registration statement or prospectus relating to or arising from any breach of the representations and warranties in clause (i), above, and provided that the maximum amount of the Crowns' indemnification liability will not exceed the proceeds received by them from the sale of their shares in the Offering; (iii) the Crowns are not required to make any certifications or execute any additional documentation other than such certificates and agreements as are necessary and typical to transfer shares in transactions of this type, including but not limited to custody agreements, stock powers and proxies relating to the shares to be sold; and (iv) the terms of the underwriting agreement are at least as favorable to the Crowns as those applicable to any other selling stockholder. If the Crowns fail to execute an underwriting agreement which complies with the foregoing, their election to participate in the Offering will be null and void.

C. Management Transition

1. Robert A. Crown will retain his position as Chairman of the Board of Directors, President and Chief Executive Officer of CCI for a period of six (6) months after the closing of the Offering. This period will be used to implement a transition of management which is intended to develop and promote the existing management team of CCI and to reduce the dependence upon the Crowns for day-to-day management. During this transition period, Mr. Crown will continue to groom his successor, who will report to Mr. Crown during such period. Mr. Crown's successor shall, after consultation with, and giving due regard to the recommendation of, Mr. Crown, be selected by the CCI Board and shall be approved by each of the CCI and Crown Castle Boards of Directors, and such successor will assume the title of President and Chief Executive Officer of CCI at the end of such six-month transition period (or possibly earlier, if agreed by Mr. Crown and the CCI Board of Directors). Also during this transition period, Crown Castle and the Crowns will work together to address other management needs, including (a) recruitment of additional management personnel as needed; (b) clarification and communication of the organizational structure, functions and reporting obligations within Crown Castle and CCI; (c) expanding the sales and marketing department which is specifically responsible for lease-ups and third party revenues; and (d) developing and implementing improved financial reporting functions throughout Crown Castle.

2. At the completion of the six-month management transition period, Mr. Crown will retain his position as a director of Crown Castle and

will remain Chairman of the Board of Directors of CCI, assuming satisfactory implementation of the foregoing transition, but will no longer serve as President and Chief Executive Officer of CCI. Prior to the printing of the preliminary prospectus relating to the Offering, Mr. Crown and Crown Castle will enter into a mutually satisfactory two-year agreement to take effect at the completion of the management transition period (or earlier, if agreed by Mr. Crown and the CCI Board of Directors) and which will address the following, as well as any additional points agreed upon by the parties:

- Mr. Crown will provide such services to Crown Castle and CCI as are reasonably requested by the Board of Crown Castle in the context of Mr. Crown's schedule and other responsibilities, and will report to the Board of Directors of Crown Castle.

- Continuation of cash compensation to Mr. Crown of $300,000 annually for two years, which obligation will continue notwithstanding termination, for any reason other than termination for "cause," of the agreement. In addition, Mr. Crown will receive a severance benefit at the end of such two-year period, payable as cash compensation of $300,000 for the year following such two-year period unless terminated for "cause." Additional compensation may be paid to Mr. Crown in consideration of additional services and/or the provision of value to Crown Castle and CCI at the discretion of the Compensation

Committee of the Crown Castle Board. As used herein, "cause" shall mean conviction of or a plea of guilty or nolo contendere to any criminal violation involving dishonesty, fraud or breach of trust, or any felony which materially adversely affects Crown Castle.

- Administrative matters such as provision by CCI of Mr. Crown's current office space so long as he serves as Chairman of CCI and an administrative assistant of Mr. Crown's choice to support him in his efforts.

- Maintenance of a vehicle of Mr. Crown's choice to be owned or leased and maintained by CCI for the benefit of Mr. Crown at an annual cost to CCI not to exceed $12,000 plus routine vehicle maintenance and operating costs.

- Maintenance by CCI of a golf membership at Southpointe Golf Club for the benefit of Mr. Crown.

- Maintenance by CCI of wireless services such as a cellular phone and pager for use of Mr. Crown.

3. Maintenance by CCI of health insurance, hospitalization and other employee benefits comparable to other senior executives for Mr. and Mrs. Crown and their dependents

4. Reimbursement by CCI of reasonable travel expenses incurred by Mr. Crown in connection with CCI business, including reasonable charter fees for the use of private aircraft

Mr. Crown will not be obligated to enter into any noncompete or other similar agreement Whether or not the Offering is successful, Crown Castle will grant to Robert Coury options to purchase a total of 12,000 shares of Crown Castle Common Stock at an exercise price of $37.54 per share, which will be vested immediately and exercisable under the same terms and conditions of Mr. Coury's existing option agreement. Mr. Coury shall be permitted to transfer such shares in accordance with the Securities Act of 1933. Mr. Coury will be granted a "piggyback" registration right to participate in the registration statement contemplated by item D.4, below, or such shares will be registered separately by Crown Castle on Form S-8, if available. Mr. Coury's continued assistance has been requested by Mr. Crown, consequently Crown Castle and Mr. Coury agree that the current Consulting Agreement will remain in full force and effect at the rate of Twenty Thousand Dollars per month ($20,000) effective July 1, 1998 provided, however, that the parties will revise the scope of the engagement as follows:

> "Consultee hereby engages Consultant and Consultant hereby accepts such engagement to perform such specialized services as Robert Crown as President and Chief Executive Officer may from time to time reasonably request. Services to be rendered by Consultant pursuant to this agreement shall include, without limitation, rendering recommendations to Consultee and Consultee's affliates in investigating and negotiating and consummating commercial business transactions, and any and all other activities and services incidental thereto. Should Robert Crown not be

serving as President and Chief Executive Officer either party may request renegotiation of this agreement. Until such time as negotiations are completed Consultant shall continue to take direction from Robert Crown and Consultee shall continue to compensate Consultant in accordance with the current Agreement."

and provided further any notices of termination whether at the end of the initial term or termination with or without cause shall be modified to provide sixty (60) days written notice prior to termination being effective.

D. Board Representation and Certain Other Matters

1. Mr. Crown will continue to serve as a member of the Crown Castle Board of Directors so long as the Crowns' ownership interest in Crown Castle has a market value of $10 million, in accordance with the New Stockholders Agreement.

2. Subject to the provisions of Section 3.10 of the New Stockholders Agreement, so long as the Crowns and their permitted transferees maintain ownership of a minimum of 1% of the outstanding Crown Castle Common Stock (a) Crown Castle shall retain the name "Crown Castle International Corp.," (b) Crown Castle's principal affiliate owning communications towers in the United States shall retain the name "Crown Communication Inc.," (c) all of Crown Castle's operations in the United States will be conducted by CCI, and any subsidiaries or affiliates of Crown Castle or CCI conducting such operations will include the name "Crown" first in their corporate name or will otherwise be conducted under the name "Crown"

consistent with the provisions of the Governance Memorandum (as defined below) relating to CCI, and (d) CCI and all of its United States subsidiaries will retain the current "Crown" logo.

3. Crown Castle will maintain the headquarters of its domestic operations in Pittsburgh, Pennsylvania or the surrounding area unless a majority of the independent members of the Crown Castle Board of Directors, in exercising their business judgment and fiduciary responsibilities, determines in good faith that relocating such headquarters will be in the best interests of Crown Castle and its stockholders.

4. The Crowns will be provided a separate demand registration right pursuant to the New Stockholders Agreement, which right may be exercised following the expiration of the six-month lockup period referred to above.

5. Effective upon the closing of the Offering, the CCI Board of Directors shall initially consist of the following five members: Robert A. Crown, Stuart Williams, Carl Ferenbach (or another member of the Crown Castle Board of Directors acceptable to Mr. Crown), David Ivy and Ted Miller.

6. Robert A. Crown will provide a list of operating issues which will require approval by the CCI Board of Directors, including such matters as insurance, internal policies and procedures, employee benefits, employee handbooks and consulting agreements.

7. So long as Mr. Crown is a director of CCI or Crown Castle, he shall have a continuing right to bring an advisor of his choice to all meetings of the Boards of Directors of CCI or Crown Castle, as applicable.

8. Until the successful closing of the Offering, the provisions of each of the Existing Stockholders Agreement and the Memorandum of Understanding Regarding Management and Governance of Castle Tower Holding Corp. and Crown Communications, Inc., dated as of August 15, 1997 (the "Governance Memorandum"), shall remain in full force and effect. For the avoidance of doubt, a "successful closing of the Offering" shall mean the closing of the IPO, as defined in the IPO Side Letter, which in turn is defined in the Exchange Agreement, as such IPO Side Letter may be amended, subject to the minimum price of $45 per share being satisfied.

9. Upon the successful closing of the Offering (as defined above), the New Stockholders Agreement will be in effect (and will be modified as necessary to reflect the terms of this memorandum). The Governance Memorandum shall remain in full force and effect (and will be modified as necessary to reflect the terms of this memorandum) until the earlier of (a) termination of the aforementioned six-month management transition period, and (b) such time as Mr. Crown resigns as President and Chief Executive Officer of CCI, in each case as contemplated in this memorandum.

E. <u>Termination</u>

1. Unless extended by the parties hereto, the agreements reflected in this memorandum shall be terminated if the Offering shall not have been successfully closed by October 31, 1998, other than items B.3, C.3 and D.3 hereof which will survive such termination in full force and effect. Upon such termination, the Existing Stockholders Agreement and the Governance Memorandum will continue in full force and effect, except to the extent that

the Governance Memorandum is modified in accordance with item D.3 hereof.

Intending to be legally bound, the parties have executed this memorandum this 2nd day of July, 1998

____
ROBERT A. CROWN

____
BARBARA A. CROWN

____
CROWN CASTLE INTERNATIONAL CORP.
By: Carl Ferenbach
Title: Chairman of the Board

EXHIBIT 10.53

SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this 2nd day of July, 1998 by and between Crown Castle International Corp., a Delaware corporation, having an address at 510 Bering, Suite 310, Houston, Texas 77057 (the "COMPANY"), and Robert A. Crown, an individual, having an address at 6500 Crown Place, Nevillewood, Pennsylvania 15142 ("CROWN").

W I T N E S S E T H

WHEREAS, Crown currently serves as Chairman of the Board, President and Chief Executive Officer of Crown Communication Inc. ("CCI"), the Company's principal domestic subsidiary;

WHEREAS, Crown and the Company have agreed that Crown will retain such position for a period of six (6) months after the closing of the Company's expected initial public offering of equity securities (the "OFFERING"), which is anticipated to occur on or before October 31, 1998, and to implement certain transitional changes affecting management of the Company and CCI during such six-month period, which would result in the selection of a successor to Crown as President and Chief Executive Officer of CCI, with Crown continuing to serve as a Director and Chairman of the Board of Directors of CCI;

WHEREAS, the Company desires to retain Crown as a general adviser on such executive, managerial, operational, technical or other matters as the Company's Board of Directors ("BOARD") may reasonably request ("SERVICES"), effective as of the completion of such six-month transition period; and

WHEREAS, Crown is willing to provide such Services based on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual premises herein contained, and intending to be legally bound hereby, the parties covenant and agree as follows:

SECTION 1. Engagement. Crown's engagement hereunder shall commence six months after the closing by the Company of the Offering or on such date prior to the closing of the Offering as Crown and the Board of Directors of CCI may agree (the "EFFECTIVE DATE"), the Company shall engage

Crown, and Crown shall accept such engagement, to perform such Services as the Board may from time to time reasonably request after giving due consideration to Crown's schedule and other responsibilities. Crown hereby accepts such appointment and engagement for the Term (hereinafter defined), upon the terms, and with respect to the matters herein specified and for the compensation and other benefits hereinafter set forth. Crown shall report directly to the Board. Crown represents and warrants to the Company that he has all requisite authority to provide Services to the Company as herein provided.

SECTION 2. Term and Termination.

(a) Term. Subject to an earlier termination of this Agreement pursuant to subsection (b) below, the term of this Agreement shall be for a period of two (2) year(s) from the Effective Date hereof (the "TERM").

(b) Termination For Cause. The Board may terminate this Agreement for "CAUSE" at any time after the Effective Date. Any such termination for cause, and the reasons for and effective date thereof, shall be communicated in advance by the Board to Crown in writing. Any purported termination of this Agreement by the Board or the Company other than (i) for cause pursuant to this subsection (b) or (ii) without cause pursuant to subsection (c) below, shall be void and of no force or effect. As used herein, "CAUSE" shall mean conviction of or a plea of guilty or nolo contendere to any criminal violation involving dishonesty, fraud or breach of trust, or any felony which materially adversely affects the Company; provided, however, that an act or omission shall not be deemed to constitute cause if it is of such nature that all detriment otherwise resulting to the Company or its subsidiaries and affiliates therefrom can be cured and, to the reasonable satisfaction of the Board, is promptly cured by appropriate action, and Crown causes such action to be taken within ten (10) days following written notice from the Board with respect thereto.

(c) Termination Without Cause. The Board may terminate this Agreement without cause at any time after the Effective Date, but only following due deliberation with Crown regarding the Board's reason for proposing such termination. Any such termination must be made by a majority of the nonmanagement directors of the Company, and such termination and the effective date thereof shall be communicated to Crown in advance in writing.

SECTION 3. Personal Service. Crown's Services to be provided pursuant to this Agreement are personal in nature, and no other person shall be engaged in the performance of such Services without the prior written consent of the Company; provided, however, the foregoing shall not apply to assistance rendered by accountants, attorneys, secretaries, clerical personnel and other similar services required by Crown in the performance of Services hereunder.

SECTION 4. Compensation and Other Benefits.

(a) Base Compensation. For the Services and recommendations rendered by Crown as described in this Agreement, the Company shall pay to Crown Twenty Five Thousand Dollars ($25,000) per month, without demand, payable on the first day of each calendar month during the Term.

(b) Additional Compensation. Additional compensation may be paid to Crown in consideration of additional Services and/or the provision of value to the Company and its subsidiaries and affiliates, at the discretion of the Compensation Committee of the Board.

(c) Benefits. Throughout the Term, the Company shall provide Crown and his spouse and their dependents with health insurance, hospitalization and other employee benefits comparable to those provided to other senior executives of the Company, as well as the following fringe benefits and services, each to be provided on an uninterrupted and non-reimbursable basis:

(i) maintenance of a vehicle of Crown's choice to be owned or leased and maintained by the Company for the benefit of Crown at an annual cost to the Company not to exceed $12,000 plus routine vehicle maintenance and operating costs; during the period that such automobile is provided, Company shall include the vehicle on the automobile insurance policy carried from time to time by Company and shall designate Crown as the driver of the automobile and as an additional named insured under the policy;

(ii) maintenance of a golf membership at Southpointe Golf Club for the benefit of Crown;

(iii) maintenance of wireless services such as a cellular phone and pager for use by Crown;

(iv) provision of an equipped and furnished office (to be the same office space currently occupied by Crown in his capacity as President and Chief Executive Officer of CCI), so long as Crown serves as Chairman of CCI; and

(v) provision to Crown of an administrative assistant of his choice to support him in his efforts hereunder.

(d) Reimbursement of Expenses. Company shall either pay directly or reimburse Crown for all expenses incurred by him in connection with Services provided during the Term (subject to his compliance with Company's normal documentation requirements), including, without limitation, reasonable charter fees for the use of private aircraft.

(e) Severance. Commencing immediately upon the expiration of the Term, unless this Agreement is terminated for cause as provided in Section 2(b), the Company shall pay to Crown a severance benefit of $300,000, without demand, payable in twelve equal monthly installments.

(f) Termination by Crown. In the event that this Agreement is terminated by Crown for no reason whatsoever ("VOLUNTARY RESIGNATION") (as specified in writing by Crown to the Board), all compensation and benefits hereunder shall cease effective as of the date of resignation specified in his written notice to the Board. In the event this Agreement is terminated by Crown for any reason other than Voluntary Resignation (as specified in writing by Crown to the Board), Crown shall be entitled to (i) all compensation and severance benefits in accordance with subsections (a), (b), and (e), above, (ii) health insurance and hospitalization benefits for Crown and his spouse and their dependents throughout the Term, and (iii) administrative assistance in accordance with clause (v) of subsection (c), above, for a period of six months after such termination, but the other benefits described in clauses (i) through (iv) of subsection (c), above, shall cease effective upon such termination. Crown's termination of this Agreement for any reason other than Voluntary Resignation shall be conclusively established by his written notification to the Board that such termination is for a reason other than Voluntary Resignation.

(g) Termination by Board. In the event that this Agreement is terminated by the Board for cause pursuant to Section 2(b), Crown shall be entitled to his compensation and other benefits up to the effective date of termination.

In the event that this Agreement is terminated by the Board without cause pursuant to Section 2(c), Crown shall be entitled to (i) all compensation and severance benefits in accordance with subsections (a), (b), and (e) of this Section 4, (ii) health insurance and hospitalization benefits for Crown and his spouse and their dependents throughout the Term, and (iii) all other benefits described in clauses (i) through (v) of subsection (c) of this Section 4 for a period of six months after such termination.

SECTION 5. Obligations. Crown warrants that he shall render Services pursuant to this Agreement in a professional manner, and will at all times endeavor to provide to the Company sound and reasonable recommendations in performing such Services. Except as otherwise expressly stated herein, Crown makes no other representation, warranty or covenant with respect to his performance of Services. THE PARTIES ACKNOWLEDGE AND AGREE THAT CROWN'S SERVICES SHALL NOT INCLUDE RESPONSIBILITY FOR MAKING ANY FINAL DECISIONS ON THE COMPANY'S BEHALF. CROWN EXPRESSLY DISCLAIMS ANY LIABILITY ARISING FROM ANY DECISION MADE ON THE BASIS OF CROWN'S SERVICES OR RECOMMENDATIONS INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL DAMAGES DERIVING THEREFROM. THE COMPANY ACKNOWLEDGES AND AGREES THAT CROWN SHALL NOT BE HELD RESPONSIBLE OR LIABLE FOR THE MAKING OF ANY DECISION BASED ON CROWN'S SERVICES OR RECOMMENDATIONS, AND THE COMPANY HEREBY WAIVES AND RELINQUISHES ANY CAUSE OF ACTION IT OR ANY OF ITS SUBSIDIARIES OR AFFILIATES NOW HAS OR MAY IN THE FUTURE HAVE AGAINST CROWN BASED ON OR RELATING TO ANY SERVICES OR RECOMMENDATIONS RENDERED BY HIM; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT RELIEVE CROWN OF ANY RESPONSIBILITIES OR DUTIES ARISING BY VIRTUE OF HIS SERVICE AS A DIRECTOR OF THE COMPANY OR CCI.

SECTION 6. Assignment. Neither this Agreement nor any interest herein or obligation hereunder may be assigned by either of the parties hereto without the express written consent of the other.

SECTION 7. Governing Law. This Agreement shall, other than the conflict of laws provisions thereof, be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

SECTION 8. Successors and Assigns. Except as otherwise contained herein, this Agreement shall be binding upon, and will inure to the benefit of, the successors and permitted assigns of the parties hereto.

SECTION 9. Captions. Section captions used in this Agreement are for convenience only, and shall not be utilized in the construction or interpretation of this Agreement.

SECTION 10. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first class certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) if to the Board of the Company, to:

Crown Castle International Corp.
510 Bering, Suite 500
Houston, Texas 77057
Attention: Chairman of the Board

with a required copy to:

E. Blake Hawk, P.C.
Brown, Parker & Leahy, L.L.P.
3600 Citicorp Center
1200 Smith Street
Houston, Texas 77002-4595

(b) if to Crown, to:

Robert A. Crown
6500 Crown Place
Nevillewood, Pennsylvania 15142

with a required copy to:

Charles J. Queenan, Jr., Esq.
Kirkpatrick & Lockhart LLP
1500 Oliver Building
Pittsburgh, Pennsylvania 15222

Such addresses may be changed by written notice sent to the other party at the last recorded address of that party.

SECTION 11. Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof, and supersedes all prior discussions between them concerning such matters. This Agreement shall not be subject to change, alteration or amendment other than by an instrument in writing duly executed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST: CROWN CASTLE INTERNATIONAL CORP.

By:___________________________ By:_______________________________

Title:________________________

Carel Ferenbach

Chairman of the Board of Directors

WITNESS:

_______________________________ _______________________________

Robert A. Crown

EXHIBIT 11

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF NET LOSS
PER COMMON SHARE
(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL					PRO FORMA	
	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,	SIX MONTHS ENDED JUNE 30,
	1995	1996	1997	1997	1998	1997	1998
Net loss................	$ (21)	$(957)	$(11,942)	$(2,149)	$(13,032)	$(42,653)	$(25,324)
Dividends on Senior Convertible Preferred Stock..................	--	--	(2,199)	--	(4,132)	--	--
Net loss applicable to common stock for basic and diluted computations...........	$(21)	$(957)	$(14,141)	$(2,149)	$(17,164)	$(42,653)	$(25,324)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands).........	3,316	3,503	6,238	3,381	10,954	109,168	109,179
Loss per common share--basic and diluted......	$(0.01)	$(0.27)	$ (2.27)	$(0.64)	$ (1.57)	$ (0.39)	$ (0.23)

EXHIBIT 12

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in thousands)

	Historical Years Ended December 31,			Six Months Ended June 30,	
	1995	1996	1997	1997	1998
Computation of Earnings:					
Income (loss) before income taxes and minority interests..........	$ (21)	$ (947)	$(11,893)	$(2,123)	$(12,823)
Add:					
Fixed charges (as computed below)...............................	1,214	1,912	9,825	1,270	10,467
Equity in losses (earnings) of unconsolidated affiliate..........	--	--	1,138	221	(525)
	$ 1,193	$ 965	$ (930)	$ (632)	$ (2,881)
Computation of Fixed Charges:					
Interest expense...	$ 1,101	$ 1,748	$ 7,095	$ 1,129	$ 1,489
amortization of deferred financing costs and discount on long-term debt...	36	55	2,159	67	8,538
Interest component of operating lease expense.....................	77	109	571	74	440
	$ 1,214	$ 1,912	$ 9,825	$ 1,270	$ 10,467
Ratio of Earnings to Fixed Charges................................	--	--	--	--	--
Fixed Charge Coverage Deficiency..................................	$ 21	$ 947	$10,755	$ 1,902	$ 13,348

	Pro Forma	
	Year ended December 31, 1997	Six Months Ended June 30, 1998
Computation of Earnings:		
Income (loss) before income taxes and minority interests..........	$ (41,283)	$ (24,430)
Add:		
Fixed charges (as computed below)...............................	39,596	20,946
Equity in losses (earnings) of unconsolidated affiliate..........	--	--
	$ (1,687)	$ (3,484)
Computation of Fixed Charges:		
Interest expense...	$ 17,545	$ 11,328
amortization of deferred financing costs and discount on long-term debt...	20,763	8,955
Interest component of operating lease expense.....................	1,288	663
	$ 39,596	$ 20,946
Ratio of Earnings to Fixed Charges................................	--	--
Fixed Charge Coverage Deficiency..................................	$ 41,283	$ 24,430

EXHIBIT 23.1

The Board of Directors
Crown Castle International Corp.:

The audits referred to in our report dated February 20, 1998, included the related financial statement schedule as of December 31, 1997 and 1996, and for each of the years in the three-year period ended December 31, 1997, included in the Registration Statement. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion, such financial statement schedule, when considered in relation to the consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the use of our reports included herein and to the reference to our firm under the headings "Summary and Selected Financial and Other Data of CCIC", "Selected Financial and Other Data of Crown", "Summary and Selected Financial and Other Data of CTI", and "Experts" in the Prospectus.

KPMG Peat Marwick LLP

Houston, Texas

August 11, 1998

EXHIBIT 23.2

CONSENT

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 28, 1996, with respect to the financial statements of TEA Group Incorporated included in the Registration Statement on Form S-1 and related Prospectus of Crown Castle International Corp. dated August 11, 1998.

Ernst & Young LLP

Atlanta, Georgia

August 11, 1998