

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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 (State or other jurisdiction of incorporation or organization)	4899 (Primary Standard Industrial Classification Number)	76-0470458 (I.R.S. Employer Identification Number)
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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
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(Name, address, including zip code, and telephone number, including area code,
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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. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(a)	Amount of Registration Fee
Common Stock, \$.01 par value.....	\$475,000,000	\$132,050
% Senior Discount Notes due 2011.....	\$300,000,000	\$ 83,400

(a) Estimated solely for the purpose of calculating the registration fee
pursuant to Rule 457(a) promulgated under the Securities Act of 1933. A
portion of the proposed maximum aggregate offering price represents shares
that are to be offered outside of the United States but that may be resold
from time to time in the United States.

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.

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EXPLANATORY NOTE

This Registration Statement contains alternate sections, paragraphs, sentences or phrases which will be contained in two forms of prospectus covered by this Registration Statement, one to be used in connection with an offering of shares of our common stock and the other to be used in connection with a concurrent offering of our senior discount notes. Those sections, paragraphs, sentences or phrases that will appear only in the equity prospectus are marked at the beginning of such section, paragraph, sentence or phrase by the symbol [E] and those appearing only in the debt prospectus are designated by the symbol [D]. Unless so indicated with a [D] or [E], the language therein will appear in both forms of prospectus.

+The information in this preliminary prospectus is not complete and may be +
 +changed. These securities may not be sold until the registration statement +
 +filed with the Securities and Exchange Commission is effective. This +
 +preliminary prospectus is not an offer to sell nor does it seek an offer to +
 +buy these securities in any jurisdiction where the offer or sale is not +
 +permitted. +

[D] Subject to Completion. Dated March 16, 1999.

\$300,000,000 (Gross Proceeds)

[CROWN CASTLE INTERNATIONAL CORP. LOGO APPEARS HERE]

Crown Castle International Corp.

% Senior Discount Notes due 2011

This is an offering of % Senior Discount Notes due 2011 of Crown Castle International Corp. We will pay interest on the notes on and of each year. The first such payment will be made on , 2004. We have the option to redeem all or a portion of the notes at any time on or after , 2004 at the redemption prices set forth in this prospectus. Before , 2002, we may redeem up to 35% of the aggregate principal amount of the notes issued under the indenture with the proceeds of offerings of our equity securities. If we experience specific kinds of changes in control, we must offer to repurchase the notes.

Concurrently with this offering, we are offering shares of our common stock pursuant to an underwritten public offering. The closing of this offering is conditioned upon the closing of the equity offering.

See "Risk Factors" beginning on page 21 to read about certain factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Per Note Total

Initial public offering price.....	\$	\$
Underwriting discount...	\$	\$
Proceeds, before expenses, to Crown Castle International Corp.....	\$	\$

The offering price set forth above does not include accreted value, if any. The notes will accrete in principal amount from , 1999 and must be paid by the purchaser if the notes are delivered after , 1999.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on , 1999.

Goldman, Sachs & Co.
 Joint Book-Running Manager

Salomon Smith Barney
 Joint Book-Running Manager

Lehman Brothers

Credit Suisse First Boston

Prospectus dated , 1999.

+The information in this prospectus is not complete and may be changed. These +
 +securities may not be sold until the registration statement filed with the +
 +Securities and Exchange Commission is effective. This preliminary prospectus +
 +is not an offer to sell nor does it seek an offer to buy these securities in +
 +any jurisdiction where the offer or sale is not permitted. +
 +-----+
 [E] Subject to Completion. Dated March 16, 1999.

Shares

[CROWN CASTLE INTERNATIONAL CORP. LOGO APPEARS HERE]

Crown Castle International Corp.

Common Stock

This is an offering of shares of common stock of Crown Castle International
 Corp. This prospectus relates to an offering of shares in the United
 States. In addition, shares are being offered outside the United States in
 an international offering.

We are offering of the shares to be sold in the offering. The selling
 stockholders identified in this prospectus are offering an additional
 shares. We will not receive any of the proceeds from the sale of the shares
 being sold by the selling stockholders.

The common stock is listed on the Nasdaq National Market under the symbol
 "TWRS". The last reported sale price of the common stock on March 15, 1999 was
 \$19 15/16 per share.

Concurrently with this offering, we are offering \$300,000,000 in initial
 accreted value of % senior discount notes due 2011 in an underwritten public
 offering. The closing of this offering is conditioned upon the closing of the
 debt offering.

See "Risk Factors" beginning on page 21 to read about certain factors you
 should consider before buying the shares.

Neither the Securities and Exchange Commission nor any other regulatory body
 has approved or disapproved of these securities or passed upon the accuracy or
 adequacy of this prospectus. Any representation to the contrary is a criminal
 offense.

	Per Share	Total
	-----	-----
Initial public offering price.....	\$	\$
Underwriting discount.....	\$	\$
Proceeds, before expenses, to Crown Castle International Corp.....	\$	\$
Proceeds, before expenses, to the selling stockholders.....	\$	\$

The U.S. underwriters may, under certain circumstances, purchase up to an
 additional shares from the selling stockholders at the initial public
 offering price less the underwriting discount. The international underwriters
 may similarly purchase up to an aggregate of an additional shares.

The underwriters expect to deliver the shares against payment in New York,
 New York on , 1999.

Goldman, Sachs & Co.
 Joint Book-Running Manager

Salomon Smith Barney
 Joint Book-Running Manager

Lehman Brothers

Credit Suisse First Boston

Prospectus dated , 1999.

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Our U.K. subsidiary, Castle Transmission Services (Holdings) Ltd., which we refer to as CTS, publishes its consolidated financial statements in pounds sterling. 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 on December 31, 1998, of (Pounds)1.00 = \$1.6628. 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 March 15, 1999, the noon buying rate was (Pounds)1.00 = \$1.6223.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It may not contain all the information that is important to you. We encourage you to read this entire prospectus carefully.

The Company

We are a leading owner and operator of wireless communications and broadcast transmission infrastructure. After giving effect to the completion of the proposed transactions we describe in this prospectus, as of December 31, 1998, we owned or managed 6,105 towers, including 4,419 towers in the United States and Puerto Rico and 1,686 towers in the United Kingdom. Our customers currently include many of the world's major wireless communications and broadcast companies, including Bell Atlantic Mobile, BellSouth Mobility, AT&T Wireless, Nextel and the British Broadcasting Corporation.

Our strategy is to use our leading domestic and international position to capture the growing consolidation and build-out opportunities created by:

- . the outsourcing of towers by major wireless carriers;
- . the need for existing wireless carriers to expand coverage and improve capacity;
- . the additional demand for towers created by new entrants into the wireless communications industry;
- . the privatization of state-run broadcast transmission networks; and
- . the introduction of new digital broadcast transmission technology and wireless technologies.

Our two main businesses are leasing antenna space on wireless and broadcast multi-tenant towers and operating broadcast transmission networks. We also provide complementary services to our customers, including network design, radio frequency engineering, site acquisition, site development and construction, antenna installation and network management and maintenance. We believe that our end-to-end service capabilities are a key competitive advantage in forming strategic partnerships to acquire large wireless and broadcast tower portfolios and in winning tower construction mandates.

Our primary business in the United States is the leasing of antenna space to wireless carriers under long-term contracts. After completion of the proposed transactions we describe in this prospectus, we will have tower clusters in 26 of the 50 largest U.S. metropolitan areas, 23 of which are east of the Mississippi river. We believe that by owning and managing large tower clusters we are able to offer our customers the ability to expand their networks rapidly and efficiently across particular markets or regions. Our acquisition strategy has been focused on adding tower clusters. For example, we have entered into agreements with both Bell Atlantic Mobile, which we refer to as BAM, and BellSouth Mobility, which we refer to as BellSouth, that will allow us to control and operate substantially all the towers in their 850 MHz networks in the eastern, southwestern and midwestern United States.

Our primary business in the United Kingdom is the operation of television and radio broadcast transmission networks. Our towers provide broadcast coverage to 99% of the population and substantially all of the major metropolitan markets. In 1997, we acquired the BBC's national broadcast transmission infrastructure and network services. Following the acquisition of the BBC's tower infrastructure, we were awarded long-term contracts to provide the BBC and other broadcasters analog and digital transmission services. We also lease antenna space to wireless

operators in the United Kingdom on the towers we acquired from the BBC and from various wireless carriers. After completion of the One2One transaction described in this prospectus, we will have a nationwide wireless footprint in the United Kingdom. We believe that our towers are uniquely situated in locations that wireless carriers seeking to lease antenna space find particularly desirable.

We believe our towers are attractive to a diverse range of wireless communications industries, including PCS, cellular, ESMR, SMR, paging, and fixed microwave, as well as radio and television broadcasting. In the United States our major customers include AT&T Wireless, Aerial, BAM, BellSouth, Motorola, Nextel, PageNet and Sprint PCS. In the United Kingdom our major customers include the BBC, Cellnet, Dolphin, NTL, ONdigital, One2One, Orange, Virgin Radio and Vodafone.

We have embarked on a major construction program for our customers to enhance our tower footprint. In 1998, we constructed 231 towers at an aggregate cost of approximately \$46.0 million, and had begun construction of an additional 72 towers as of December 31, 1998. In 1999, we plan to construct between 800 and 1,100 towers at an estimated aggregate cost of between \$150.0 million and \$200.0 million for wireless carriers such as BAM, BellSouth and Nextel. The actual number of towers built may be outside that range depending on acquisition opportunities and potential build-to-suit contracts from large wireless carriers. In addition, we were selected to build and operate in the United Kingdom the world's first digital terrestrial television system.

Industry Overview

As the wireless communications industry has become more competitive, wireless carriers have sought operating and capital efficiencies by outsourcing network services and the build-out and operation of new and existing infrastructure. These carriers have also begun co-locating transmission equipment with other carriers on multiple tenant towers. We believe that there has been a fundamental shift in strategy among established carriers relating to infrastructure ownership. In order to concentrate on their customer bases and expansion of their service offerings, many such carriers have begun to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers that have the proven ability to manage networks.

The television broadcasting industry is experiencing significant change because of the impending widespread deployment of digital terrestrial television broadcasting. 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. In addition, state-run broadcast transmission networks are continuing to be privatized throughout the world.

We expect these trends to continue globally in both the wireless communications and broadcasting industries. We believe that the next logical step for wireless 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. We believe that such carriers and broadcasters will only entrust the operation of their towers and the transmission of their signals to those infrastructure providers, such as us, 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.

Growth Strategy

Our objective is to become the premier global provider of wireless communications and broadcast transmission infrastructure and related services. Our experience in expanding tower footprints and operating analog and digital transmission networks, our significant relationships with wireless carriers and broadcasters and our ability to offer customers our in-house technical and operational expertise positions us to accomplish this objective. The key elements of our growth strategy are to:

Maximize Utilization of Tower Capacity. We seek to increase the number of antenna leases on the towers and rooftops that we own or manage. Many of our towers have significant capacity for additional antennas. We can increase the number of tenants on these towers at a low incremental cost.

Leverage Expertise of U.S. and U.K. Personnel to Capture Global Growth Opportunities. Our ability to design, develop (build) and operate wireless communications and broadcast transmission networks, including the transmission of signals, is an important competitive advantage in our pursuit of growth opportunities, as evidenced by the BBC, One2One, BAM, BellSouth and Powertel transactions.

Partner with Wireless Carriers to Assume Ownership of their Existing Towers. We will continue to seek to partner with major wireless carriers in order to assume ownership of their towers directly or through joint ventures or control their towers through contractual arrangements. We believe that we will be able to capitalize on our relationships with our strategic partners and customers with international operations to expand our global footprint.

Provide Build-to-Suit Towers for Wireless Carriers and Broadcasters. We are aggressively pursuing build-to-suit opportunities. As wireless 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 digital terrestrial television broadcasting in the United States and elsewhere in the world will require the construction of new broadcast towers to accommodate new digital transmission equipment and analog transmission equipment displaced from existing towers.

Acquire Existing Broadcast Transmission Networks. We intend to pursue selective acquisitions of broadcast transmission networks and related infrastructure around the world. We believe we can capitalize on the experience we have gained through the acquisition of the BBC's broadcast transmission network and our roll-out of digital television transmission services throughout the United Kingdom.

Continue to Decentralize Management Functions. In order to better manage our tower lease-up efforts and build-out programs, and in anticipation of the continued growth of our tower footprint throughout the United States, we have begun and plan to continue decentralizing some management and operational functions. To that end, in addition to our Pittsburgh operating headquarters and regional office, we have opened five regional offices and plan to add 10 additional regional offices in connection with the proposed transactions described below.

Proposed Transactions

Proposed BAM JV

On December 8, 1998, we entered into an agreement, which we call the Formation Agreement, with BAM to form a joint venture to own and operate approximately 1,427 towers. These towers represent substantially all the towers in BAM's 850 MHz wireless network in the eastern and

southwestern United States and provide coverage of 11 of the top 50 U.S. metropolitan areas, including New York, Philadelphia, Boston, Washington, D.C. and Phoenix. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

Upon its formation, we will manage the day-to-day operations of the proposed joint venture. Concurrently with the formation of the joint venture, BAM and the joint venture will enter into a master build-to-suit agreement pursuant to which the joint venture will build and own the next 500 towers to be built for BAM's wireless communications business. The joint venture will have the right to build an additional 200 towers for BAM thereafter. Pursuant to a global lease agreement, BAM will lease antenna space on the towers transferred to the joint venture, as well as the towers built pursuant to the build-to-suit agreement.

Upon its formation, we will own approximately 62.3% of the joint venture and BAM and certain of its affiliates will own the other 37.7% along with a 0.001% interest in the joint venture's operating subsidiary. To form the proposed joint venture, we will contribute \$250.0 million in cash and approximately 15.6 million shares of our common stock (valued at \$197.0 million) to the joint venture. BAM and its affiliates will transfer approximately 1,427 towers along with related assets and liabilities to the joint venture. The joint venture expects to borrow \$180.0 million under a committed \$250.0 million revolving credit facility, following which the joint venture will make a \$380.0 million cash distribution to BAM. The joint venture initially will have approximately \$46.0 million of cash to fund its operations and pay costs and expenses associated with building new towers.

Proposed BellSouth Transaction

On March 8, 1999, we entered into a preliminary agreement, which we call the Letter Agreement, with BellSouth and certain of its affiliates to control and operate approximately 1,850 towers. These towers represent substantially all the towers in BellSouth's 850 MHz wireless network in the southeastern and midwestern United States and provide coverage of 12 of the top 50 U.S. metropolitan areas, including Miami, Atlanta, Tampa, Nashville and Indianapolis. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

We will be responsible for managing, maintaining, marketing and leasing the available space on BellSouth's towers. BellSouth will enter into a master build-to-suit agreement with us pursuant to which we will have the right to build, control and operate the next 500 towers to be built for BellSouth's wireless communications business. BellSouth will lease antenna space on the towers subject to the Letter Agreement, as well as the towers built pursuant to the build-to-suit agreement.

The transaction is structured as a taxable sale pursuant to a master sublease. While we will have complete responsibility for the towers and will receive all the economic benefits of leasing available space on the towers, BellSouth will continue to own the tower infrastructure. We will pay BellSouth \$610.0 million, consisting of \$430.0 million in cash and approximately 9.1 million shares of our common stock (valued at \$180.0 million), subject to adjustment. While the transaction is expected to close in a series of closings beginning in the second quarter of 1999, we will begin marketing all the towers immediately. In connection with our entering into the Letter Agreement, we have placed \$50.0 million in an escrow account which will be returned to us at the first closing date. See "Risk Factors--We May Not Consummate the Proposed Transactions."

Proposed Powertel Acquisition

On March 15, 1999, we entered into an agreement, which we call the Asset Purchase Agreement, with Powertel to purchase approximately 650 towers and related assets. These towers represent substantially all of Powertel's owned towers in its 1.9 GHz wireless network in the southeastern and midwestern United States. Approximately 90% of these towers are clustered in

seven southeastern states, providing coverage of such major metropolitan areas as Atlanta, Birmingham, Jacksonville, Memphis and Louisville, and a number of major connecting highway corridors in the southeast. These towers are complementary to BellSouth's 850 MHz footprint in the southeast and have minimal coverage overlap. Substantially all of these towers are over 100 feet tall, were built within the last three years and can accommodate multiple tenants.

Concurrently with the tower acquisition, we will enter into master lease agreements pursuant to which Powertel will lease antenna space on the towers we acquire in the acquisition.

We will purchase the 650 towers from Powertel for an aggregate cash purchase price of \$275.0 million. Pursuant to the Asset Purchase Agreement and a related escrow agreement, we have placed \$50.0 million in escrow to be applied to the purchase price at closing. See "Risk Factors--We May Not Consummate the Proposed Transactions".

Proposed One2One Transaction

On March 5, 1999, we entered into an agreement, which we call the Framework Agreement, with One2One, pursuant to which our U.K. operating subsidiary, which we call CTI, has agreed to manage, develop and, at its option, acquire up to 821 towers. These towers represent substantially all the towers in One2One's 1,800 MHz nationwide wireless network in the United Kingdom. We believe this transaction will position us to capitalize on lease-up and build-out opportunities provided by the introduction of new wireless technologies such as UMTS.

CTI will be responsible for managing and leasing available space on the towers, and will receive all the income from any such third party leases. The term of the management arrangement will be for up to 25 years. During the three-year period following the closing, CTI will have the right, at its option, to acquire for (Pounds)1.00 per site One2One's interest in the 821 towers, to the extent such interests can be assigned. One2One has also agreed to include as part of the Framework Agreement, including CTI's right to acquire sites during the three-year period, any new One2One towers constructed during the term of the agreement.

As consideration for this transaction, CTI has agreed to provide One2One with free rent on the 821 towers for nine years, free rent on newly constructed One2One towers assigned to CTI for 15 years and free rent on CTI towers on which One2One currently leases space for two years.

Although we expect the Proposed BAM JV, the Proposed Powertel Acquisition and the Proposed One2One Transaction to be consummated during the first half of 1999, and the first closing of the Proposed BellSouth Transaction to be consummated by May 31, 1999, the operative agreements governing these transactions are subject to a number of significant conditions. Therefore, we cannot guarantee you that we will close any of these proposed transactions on the terms described in this document or at all. See "Risk Factors--We May Not Consummate the Proposed Transactions". When we refer to financial information in this prospectus as "after giving effect to" or "pro forma for" the Proposed Transactions, we mean after giving effect to the proposed transactions described above, other than the Proposed One2One Transaction, which does not have a material impact on our pro forma financial results.

Recent Transactions

On August 21, 1998, we increased our ownership interest in CTSB to 80.0% by consummating a share exchange with the shareholders of CTSB. The remaining 20.0% of CTSB's shares are owned by a company called TeleDiffusion de France, or TdF, whose ultimate parent is France Telecom. Immediately prior to the exchange, we converted all shares of our then existing preferred stock into shares of our common stock and reclassified our then existing common stock into shares of our common stock. We refer to the exchange and the conversions collectively as the Roll-Up. At that time, we also raised approximately \$150.0 million in an initial public offering of our common stock. We have allocated the net proceeds from our IPO to finance a portion of our investment in the Proposed BAM JV.

On October 8, 1998, we acquired all the outstanding shares of Millennium Communications Limited for aggregate consideration of \$14.5 million, consisting of cash, our common stock and the assumption of indebtedness. Millennium develops, owns and operates telecommunications towers and related assets in the United Kingdom. On the date of acquisition, Millennium owned 102 tower sites. Millennium is being operated as a subsidiary of CTI.

On December 21, 1998, we privately placed 200,000 shares of our 12 3/4% Senior Exchangeable Preferred Stock due 2010, with a liquidation preference of \$1,000 per share. We used a portion of the net proceeds of the exchangeable preferred stock offering to repay substantially all of our then outstanding indebtedness under our senior credit facility. We have allocated the remaining net proceeds of the preferred stock offering to finance the balance of our investment in the Proposed BAM JV.

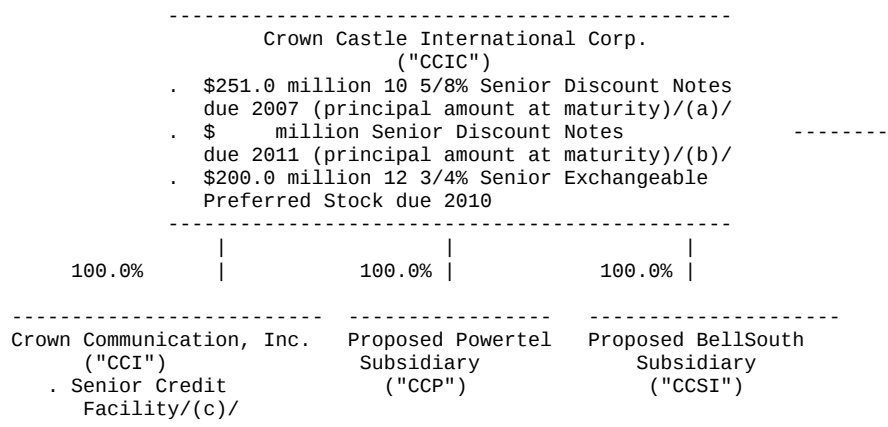
On March 15, 1999, we entered into a loan agreement to finance our escrow payments in connection with the Proposed BellSouth Transaction and the Proposed Powertel Acquisition. We intend to use a portion of the net proceeds of the offerings to repay all amounts outstanding under this loan agreement.

Our principal executive offices are located at 510 Bering Drive, Suite 500, Houston, Texas 77057, and our telephone number is (713) 570-3000.

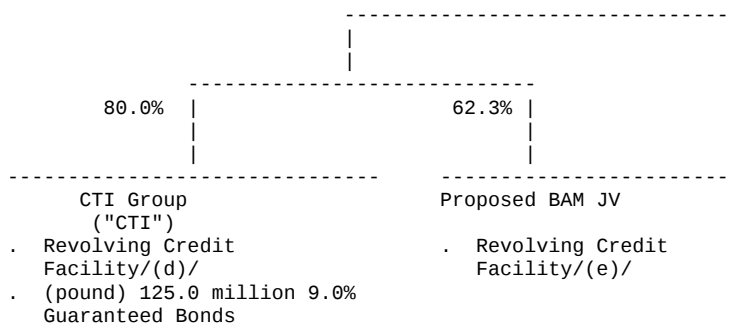
[D] Corporate Structure

The following chart illustrates, assuming the offerings and the proposed transactions described in this prospectus had been completed, (1) the organizational structure of the Company and its principal subsidiaries and (2) our consolidated debt obligations. See "Capitalization" and "The Proposed Transactions".

Restricted Group



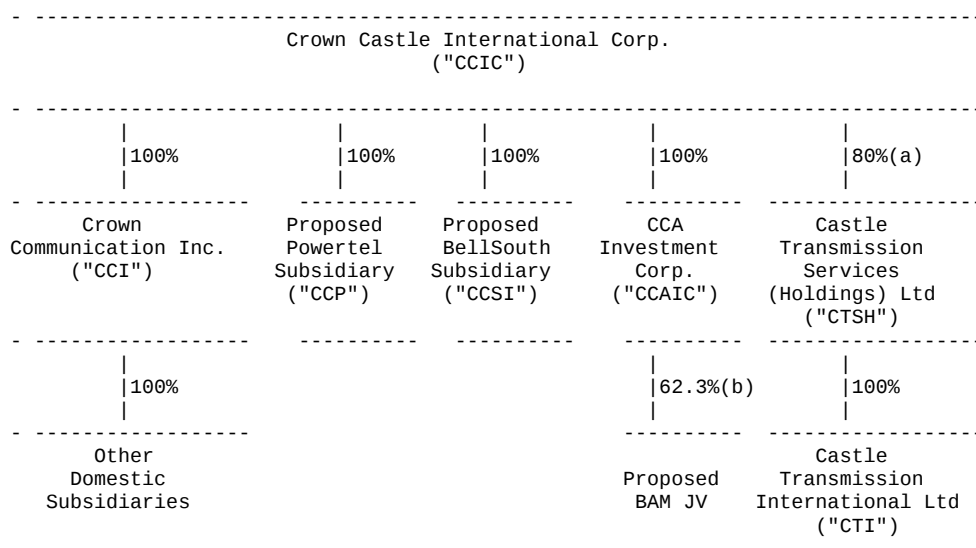
Unrestricted Subsidiaries



-
- (a) As of December 31, 1998, the accreted value of our outstanding senior discount notes was \$168.1 million.
- (b) Our newly issued senior discount notes will have an initial accreted value of \$300.0 million.
- (c) As of December 31, 1998, \$5.5 million was drawn of the \$100.0 million revolving credit facility.
- (d) As of December 31, 1998, (pound) 33.2 million was drawn of the (pound) 64.0 million revolving credit facility.
- (e) The Company expects that the proposed joint venture will obtain a new credit facility of up to \$250.0 million of revolving credit loans with availability subject to a borrowing base. The Company expects that \$180.0 million will be drawn at the formation of the proposed joint venture.

[E] Corporate Structure

The following chart illustrates the organizational structure of the Company and its principal subsidiaries after giving effect to the offerings and the proposed transactions described in this prospectus. See "Capitalization" and "The Proposed Transactions".



(a) The remaining 20% equity interest in CTSH is held by TdF. Pursuant to the TdF Put Right and the 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.

(b) BAM will hold the remaining 37.7% interest in the Proposed BAM JV along with a 0.001% interest in the joint venture's operating subsidiary.

[D] The Offering

Issuer..... Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, Texas 77057

Total Amount of Notes Offered..... \$300.0 million in initial accreted value of %
Senior Discount Notes due 2011.

Maturity..... , 2011.

Issue Price..... , plus accreted value, if any, from ,
1999.

Interest..... Annual rate-- %. Payment frequency--every six
months on and . First payment-- ,
2004. Cash interest will not accrue prior to
, 2004.

Original Issue Discount..... We will sell the notes at a substantial discount
to their principal amount at maturity. The notes
will accrete in value through , 2004 at an
annual rate of %, compounding every six months.
Cash interest will not be payable on the notes
until , 2004.

Ranking..... These notes are senior debts. They rank pari
passu in right of payment with all of our
existing and future senior debt, but will be
effectively junior to the extent of the assets
securing our other senior debt. Our only
significant assets are the capital stock of our
subsidiaries, and the notes will not be
guaranteed by our subsidiaries. As a result, the
notes will be structurally subordinated to all
debt and other liabilities of our subsidiaries,
including borrowings under their credit
facilities.

Optional Redemption..... On or after , 2004, we may redeem some or all
of the notes at any time at the redemption prices
listed in the "Description of Notes" section
under the heading "Optional Redemption".

Before , 2002, we may redeem up to \$
million of the notes with the proceeds of public
offerings of equity or strategic investments in
our company at the price listed in the
"Description of Notes" section under the heading
"Optional Redemption".

Mandatory Offer to Repurchase..... If we sell certain assets under certain
circumstances, or experience specific kinds of
changes of control, we must offer to repurchase
the notes at the prices listed in the
"Description of Notes" section under the heading
"Repurchase at the Option of Holders".

Basic Covenants of Indenture..... We will issue the notes under an indenture with
the United States Trust Company of New York. The
indenture will,

among other things, restrict our ability and the ability of our subsidiaries to:

- . borrow money;
- . pay dividends on stock or repurchase stock;
- . make investments;
- . use assets as security in other transactions;
and
- . sell certain assets or merge with or into other companies.

For more details, see the "Description of the Notes" section under the heading "Certain Covenants".

Concurrent Equity Offering..... Concurrently with this offering, we are offering shares of our common stock in an underwritten public offering. The closing of this offering is conditioned on the closing of the equity offering.

Use of Proceeds..... We expect to use the proceeds of the equity and debt offerings to repay indebtedness incurred to finance a portion of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition, to finance the balance of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition and for general corporate purposes.

For more details, see "Use of Proceeds".

Risk Factors

You should carefully consider all of the information in this prospectus. In particular, you should evaluate the specific risk factors under "Risk Factors" for a discussion of certain risks involved with an investment in the notes.

[E] The Equity Offering

Common Stock Offered by the Company:

U.S. Offering.....	shares
International Offering.....	shares
Total.....	shares

Common Stock Offered by the Selling Stockholders(a):

U.S. Offering.....	shares
--------------------	--------

Common Stock to be Outstanding after the Offering(b):

Common stock(c).....	shares
Class A common stock.....	shares

Voting Rights..... Under our Certificate of Incorporation, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power, with the holders of both classes of our common stock voting together as a single class. However, some actions will require the separate approval of the holders of a majority of our Class A common stock. In addition, the holders of our Class A common stock, voting as a separate class, have the right to elect up to two members of our Board of Directors and will not vote in the election of directors by the holders of our other voting stock entitled to vote in the election of directors. See "Description of Capital Stock".

Concurrent Debt Offering.... Concurrently with this offering, we are offering \$ million aggregate principal amount at maturity of our % Senior Discount Notes due 2011 (\$300.0 million initial accreted value) by a separate prospectus. The closing of this offering is conditioned on the closing of the debt offering.

Use of Proceeds..... We expect to use the proceeds of the equity and debt offerings to repay indebtedness incurred to finance a portion of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition, to finance the balance of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition and for general corporate purposes.

For more details, see "Use of Proceeds".

NNM Stock Symbol..... "TWRS".

- - - - -
- (a) Does not include shares of common stock that will be offered if the underwriters' over-allotment option is exercised in full.
 - (b) Does not include shares of common stock issuable upon the exercise of stock options held by certain of the selling stockholders that will be exercised if the underwriter's over-allotment option is exercised in full.
 - (c) Does not include (1) shares of common stock reserved for issuance upon exercise of warrants outstanding prior to the offering, (2) shares of common stock reserved for issuance upon exercise of stock options previously granted pursuant to CTSH's stock option plans and agreements or (3) shares of common stock reserved for issuance under our 1995 Stock Option Plan (including 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] 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 under "Unaudited Pro Forma Condensed Consolidated Financial Statements". The pro forma statement of operations data and other data for the year ended December 31, 1998, give effect to (1) the 1998 Transactions (as defined under "Unaudited Pro Forma Condensed Consolidated Financial Statements"), (2) the offerings and (3) the Proposed Transactions (as defined under "Unaudited Pro Forma Condensed Consolidated Financial Statements") as if they had occurred on January 1, 1998. The pro forma balance sheet data give effect to the offerings and the Proposed Transactions as if they had occurred on December 31, 1998. The unaudited pro forma financial and other data for the Restricted Group (as defined) are not intended as alternative measures of operating results, financial position or cash flow from operations (as determined in accordance with generally accepted accounting principles). 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 CTI", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto of CCIC, CTI, Bell Atlantic Mobile Tower Operations and Powertel Tower Operations included elsewhere in this document.

	Company Pro Forma	Restricted Group Pro Forma
	Year Ended December 31, 1998	Year Ended December 31, 1998
	(Dollars in thousands)	
Statement of Operations Data:		
Net revenues:		
Site rental and broadcast transmission.....	\$ 251,679	\$ 72,286
Network services and other.....	50,299	32,217
	-----	-----
Total net revenues.....	301,978	104,503
	-----	-----
Costs of operations:		
Site rental and broadcast transmission.....	94,663	23,684
Network services and other.....	29,480	17,329
	-----	-----
Total costs of operations.....	124,143	41,013
	-----	-----
Expected incremental operating expenses for		
Proposed Transactions(a).....	21,054	15,917
General and administrative.....	28,571	21,153
Corporate development(b).....	4,633	4,625
Non-cash compensation charges(c).....	16,589	9,907
Depreciation and amortization.....	148,155	61,066
	-----	-----
Operating income (loss).....	(41,167)	(49,178)
Other income (expense):		
Interest and other income (expense).....	4,945	1,101
Interest expense and amortization of deferred financing costs.....	(89,059)	(50,608)
	-----	-----
Income (loss) before income taxes and minority interests.....	(125,281)	(98,685)
Provision for income taxes.....	(374)	(374)
Minority interests.....	1,307	--
	-----	-----
Net income (loss).....	(124,348)	(99,059)
Dividends on preferred stock.....	(26,745)	(26,745)
	-----	-----
Net income (loss) after deduction of dividends on preferred stock.....	\$(151,093)	\$(125,804)
	=====	=====
Other Data:		
Site data(d):		
Towers and revenue producing rooftop sites at end of period.....	-----	-----

EBITDA(e):Adjusted E

Summary cash flow information:

Ratio of e(Dollars in thousands)Cash and cash

Property and equipment,

net.....	592,594	592,594	2,067,969	165,205	165,205	1,048,100
----------	---------	---------	-----------	---------	---------	-----------

Total assets.....	1,523,230	2,200,230	2,769,269	1,130,685	1,807,685	2,184,994
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Total debt.....	429,710	729,710	909,710	173,599	473,599	473,599
-----------------	---------	---------	---------	---------	---------	---------

Net debt(i).....	133,260	(232,865)	860,127	131,814	(234,311)	470,306
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Redeemable preferred

stock.....	201,063	201,063	201,063	201,063	201,063	201,063
------------	---------	---------	---------	---------	---------	---------

Total stockholders'

equity	737,562	1,114,562	1,491,562	737,562	1,114,562	1,491,562
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(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.

(d) Represents the aggregate number of sites of CCIC, CTI, the Proposed BAM JV and the Proposed Powertel Acquisition at the end of the period. As of December 31, 1998, we had contracts with 1,365 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 we have arranged a lease of space on such rooftop and, as such, are receiving payments in respect of our management contract. We generally do not receive any payment for rooftops under management unless we actually lease space on such rooftops to third parties. As of December 31, 1998, we had 1,284 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, we had 54 revenue producing rooftop sites that were occupied by our transmitters but were not available for leasing to customers.

- (e) EBITDA is defined as operating income (loss) plus depreciation and amortization and non-cash compensation charges. Adjusted EBITDA is defined as the sum of (i) annualized site rental and broadcast transmission EBITDA before corporate development for the most recent calendar quarter and (ii) EBITDA, less site rental and broadcast transmission EBITDA before corporate development, for the most recent four calendar quarters. EBITDA and Adjusted EBITDA are presented as additional information because management believes them to be useful indicators of our ability to meet debt service and capital expenditure requirements. They are not, however, intended as alternative measures of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, our 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, 1998, our earnings were insufficient to cover our fixed charges by \$125.3 million. For the year ended December 31, 1998, earnings were insufficient to cover fixed charges of the Restricted Group by \$98.7 million.
- (g) Total interest expense for the year ended December 31, 1998 includes amortization of deferred financing costs and discount of \$47.2 million for CCIC, \$0.9 million for CTI and \$0.6 million for the Proposed BAM JV.
- (h) Pro forma balances of cash and cash equivalents for the Restricted Group exclude \$248.1 million of proceeds from the IPO and the offering of exchangeable preferred stock (along with interest earned on such amounts since the consummation of these transactions) that will be contributed to the Proposed BAM JV, of which approximately \$45.9 million will remain in the Proposed BAM JV after its formation.
- (i) Net debt represents total debt less cash and cash equivalents.

[E] 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 under "Unaudited Pro Forma Condensed Consolidated Financial Statements". The pro forma statement of operations data and other data for the year ended December 31, 1998, give effect to (1) the 1998 Transactions (as defined under "Unaudited Pro Forma Condensed Consolidated Financial Statements"), (2) the offerings and (3) the Proposed Transactions (as defined under "Unaudited Pro Forma Condensed Consolidated Financial Statements") as if they had occurred on January 1, 1998. The pro forma balance sheet data give effect to the offerings and the Proposed Transactions as if they had occurred on December 31, 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 CTI", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto of CCIC, CTI, Bell Atlantic Mobile Tower Operations and Powertel Tower Operations included elsewhere in this document.

Pro Forma

Year Ended
December 31,
1998

(Dollars in thousands,
except per share amounts)

Statement of Operations Data:

Net revenues:

Site rental and broadcast transmission.....	\$ 251,679
Network services and other.....	50,299

Total net revenues.....	301,978

Costs of operations:

Site rental and broadcast transmission.....	94,663
Network services and other.....	29,480

Total costs of operations.....	124,143

Expected incremental operating expenses for Proposed

Transactions(a).....	21,054
General and administrative.....	28,571
Corporate development(b).....	4,633
Non-cash compensation charges(c).....	16,589
Depreciation and amortization.....	148,155

Operating income (loss)..... (41,167)

Other income (expense):

Interest and other income (expense).....	4,945
Interest expense and amortization of deferred financing costs.....	(89,059)

Income (loss) before income taxes and minority

interests.....	(125,281)
Provision for income taxes.....	(374)
Minority interests.....	1,307

Net income (loss)..... (124,348)

Dividends on preferred stock..... (26,745)

Net income (loss) after deduction of dividends on
preferred stock..... \$(151,093)

Loss per common share--basic and diluted..... \$
=====

Common shares outstanding--basic and diluted (in
thousands).....
=====

Other Data:

Site data (d):

Towers and revenue producing rooftop sites at end of period.....	=====
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Pro Forma

Year Ended
December 31,
1998

(Dollars in thousands)

EBITDA(e):	
Site rental and broadcast transmission.....	\$ 148,581
Network services and other.....	683
Expected incremental operating expenses for Proposed Transactions(a).....	(21,054)
Corporate development expenses(b).....	(4,633)

Total EBITDA.....	\$123,577
	=====
Capital expenditures.....	\$ 202,553
Summary cash flow information:	
Net cash provided by operating activities.....	111,891
Net cash used for investing activities.....	(212,763)
Net cash provided by financing activities.....	1,042,743
Ratio of earnings to fixed charges(f).....	--
Ratio of EBITDA to total interest expense(g).....	1.39x

Pro Forma As of December 31, 1998 -----		
Historical CCIC	Pro Forma for Offerings	Pro Forma for Offerings and Proposed Transactions

(Dollars in thousands)		

Balance Sheet Data:			
Cash and cash equivalents.....	\$ 296,450	\$ 962,575	\$ 49,583
Property and equipment, net.....	592,594	592,594	2,067,969
Total assets.....	1,523,230	2,200,230	2,769,269
Total debt.....	429,710	729,710	909,710
Net debt(h).....	133,260	(232,865)	860,127
Redeemable preferred stock.....	201,063	201,063	201,063
Total stockholders' equity.....	737,562	1,114,562	1,491,562

- - - - -
- (a) CCIC expects that it will incur incremental operating expenses as a result of the Proposed Transactions. Such incremental expenses are currently estimated to amount to approximately \$5.2 million per year for the Proposed BAM JV and approximately \$15.9 million per year for the Proposed BellSouth Transaction and the Proposed Powertel Acquisition. The Company has included the effect of these incremental expenses in the accompanying summary pro forma financial data in order to more accurately present the effect of the Proposed Transactions on CCIC's consolidated results of operations. The effect of these incremental expenses has not been reflected in the Unaudited Pro Forma Condensed Consolidated Statement of Operations included elsewhere in this document. See "Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations."
- (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.
- (c) Represents charges related to the issuance of stock options to certain employees and executives.
- (d) Represents the aggregate number of sites of CCIC, CTI, the Proposed BAM JV and the Proposed Powertel Acquisition at the end of the period. As of December 31, 1998, we had contracts with 1,365 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 we have arranged a lease of space on such rooftop and, as such, are receiving payments in respect of our management contract. We generally do not receive any payment for rooftops under management unless we actually lease space on such rooftops to third parties. As of December 31, 1998, we had 1,284 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, we had 54 revenue producing rooftop sites that were occupied by our transmitters but were not available for leasing to customers.
- (e) EBITDA is defined as operating income (loss) plus depreciation and amortization and non-cash compensation charges. EBITDA is presented as additional information because management believes it to be a useful indicator of our 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, our 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, 1998, our earnings were insufficient to cover our fixed charges by \$125.3 million.
- (g) Total interest expense for the year ended December 31, 1998 includes amortization of deferred financing costs and discount of \$47.2 million for CCIC, \$0.9 million for CTI and \$0.6 million for the Proposed BAM JV.
- (h) Net debt represents total debt less cash and cash equivalents.

Summary Financial and Other Data of CCIC

The summary historical consolidated financial and other data for CCIC set forth below for each of the four years in the period ended December 31, 1998, and as of December 31, 1995, 1996, 1997 and 1998, have been derived from the consolidated financial statements of CCIC, which have been audited by KPMG LLP, independent certified public accountants. The results of operations for the year ended December 31, 1998 are not comparable to the year ended December 31, 1997, and the results for the year ended December 31, 1997 are not comparable to the year ended December 31, 1996 as a result of business acquisitions consummated in 1997 and 1998. Results of operations of these acquired businesses are included in the Company's consolidated financial statements for the periods subsequent to the respective dates of acquisition. [D] The summary historical financial and other data for the Restricted Group (as defined) are not intended as alternative measures of operating results or cash flows from operations (as determined in accordance with generally accepted accounting principles.) 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 document.

	Years Ended December 31,			
	1995	1996	1997	1998
	(Dollars in thousands)			
Statement of Operations Data:				
Net revenues:				
Site rental and broadcast transmission.....	\$ 4,052	\$ 5,615	\$ 11,010	\$ 75,028
Network services and other.....	6	592	20,395	38,050
Total net revenues.....	4,058	6,207	31,405	113,078
Costs of operations:				
Site rental and broadcast transmission.....	1,226	1,292	2,213	26,254
Network services and other.....	--	8	13,137	21,564
Total costs of operations.....	1,226	1,300	15,350	47,818
General and administrative.....	729	1,678	6,824	23,571
Corporate development(a).....	204	1,324	5,731	4,625
Non-cash compensation charges(b)	--	--	--	12,758
Depreciation and amortization.....	836	1,242	6,952	37,239
Operating income (loss).....	1,063	663	(3,452)	(12,933)
Other income (expense):				
Equity in earnings (losses) of unconsolidated affiliate.....	--	--	(1,138)	2,055
Interest and other income (expense)(c).....	53	193	1,951	4,220
Interest expense and amortization of deferred financing costs.....	(1,137)	(1,803)	(9,254)	(29,089)
Loss before income taxes and minority interests.....	(21)	(947)	(11,893)	(35,747)
Provision for income taxes.....	--	(10)	(49)	(374)
Minority interests.....	--	--	--	(1,654)
Net loss.....	(21)	(957)	(11,942)	(37,775)
Dividends on preferred stock.....	--	--	(2,199)	(5,411)
Net loss after deduction of dividends on preferred stock.....	\$ (21)	\$ (957)	\$ (14,141)	\$ (43,186)
Loss per common share--basic and diluted.....	\$ (0.01)	\$ (0.27)	\$ (2.27)	\$ (1.02)
Common shares outstanding--basic and diluted (in thousands).....	3,316	3,503	6,238	42,518

Years Ended December 31,				
1995	1996	1997	1998	
(Dollars in thousands)				

Other Data:

Site data (at period end)(d):

Towers owned.....	126	155	240	1,344
Towers managed.....	7	7	133	129
Rooftop sites managed (revenue producing)(e).....	41	52	80	135
Total sites owned and managed.....	174	214	453	1,608

EBITDA(f):

Site rental.....	\$ 2,697	\$ 3,555	\$ 7,682	\$ 44,661
Network services and other.....	(594)	(326)	1,549	(2,972)
Corporate development expenses(a)....	(204)	(1,324)	(5,731)	(4,625)
Total EBITDA.....	\$ 1,899	\$ 1,905	\$ 3,500	\$ 37,064

[D] Restricted Group EBITDA.....	\$ 1,899	\$ 1,905	\$ 3,500	\$ 5,799
Capital expenditures.....	161	890	18,035	138,759

Summary cash flow information:

Net cash provided by (used for) operating activities.....	1,672	(530)	(624)	44,976
Net cash used for investing activities.....	(16,673)	(13,916)	(111,484)	(149,248)
Net cash provided by financing activities.....	15,597	21,193	159,843	345,248

Ratio of earnings to fixed charges(g)...	--	--	--	--
--	----	----	----	----

Balance Sheet Data (at period end):

Cash and cash equivalents.....	\$ 596	\$ 7,343	\$ 55,078	\$ 296,450
Property and equipment, net.....	16,003	26,753	81,968	592,594
Total assets.....	19,875	41,226	371,391	1,523,230
Total debt.....	11,182	22,052	156,293	429,710
Redeemable preferred stock(h).....	5,175	15,550	160,749	201,063
Total stockholders' equity (deficit)....	619	(210)	41,792	737,562

(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, such expenses include (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".

(b) Represents charges related to the issuance of stock options to certain employees and executives.

(c) 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.

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

(e) As of December 31, 1998, CCIC had contracts with 1,365 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 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 December 31, 1998, CCIC had 1,284 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, we had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were not available for leasing to customers.

(f) EBITDA is defined as operating income (loss) plus depreciation and amortization and non-cash compensation changes. 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.

- (g) 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, 1997 and 1998, earnings were insufficient to cover fixed charges by \$21,000, \$0.9 million, \$10.8 million and \$37.8 million, respectively.
- (h) The 1995, 1996 and 1997 amounts represent (1) 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 (2) 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 has been converted into shares of common stock in connection with the consummation of the IPO. The 1998 amount represents the 12 3/4% exchangeable preferred stock.

RISK FACTORS

You should carefully consider the risks described below, as well as the other information included in this prospectus, when evaluating an investment in our [E] common stock [D] notes.

We May Not Be Able to Manage the Integration Necessitated by Our Rapid Growth

Our ability to implement our growth strategy depends, in part, on our successes in integrating our acquisitions, investments, joint ventures and strategic alliances into our operations. We have grown significantly over the past two years through acquisitions and, as evidenced by the Proposed Transactions, such growth continues to be an important part of our business plan. The addition of approximately 4,748 towers to our tower footprints through the Proposed Transactions will increase our current business considerably and will add operating complexities. Successful integration of these transactions will depend primarily on our ability to manage these combined operations and to integrate new management with and into our existing management. We cannot guarantee that we will be able to successfully integrate these acquired businesses and assets or any future acquisitions into our business or implement our plans without delay. If we fail to do so it could have a material adverse effect on our financial condition and results of operations.

We regularly evaluate potential acquisition and joint venture opportunities and are currently evaluating potential transactions that could involve substantial expenditures, possibly in the near term. Implementation of our acquisition strategy may impose significant strains on our management, operating systems and financial resources. If we fail to manage our growth or encounter unexpected difficulties during expansion it could have a material adverse effect on our financial condition and results of operations. The pursuit and integration of acquisitions, investments, joint ventures and strategic alliances will require substantial attention from our senior management, which will limit the amount of time they are able to devote to our existing operations. If we are successful in consummating future acquisitions, we may have to incur substantial amounts of debt and contingent liabilities and an increase in amortization expenses related to goodwill and other intangible assets, all of which could have a material adverse effect on our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".

Our Substantial Level of Indebtedness Could Adversely Affect Our Financial Condition

We are a highly leveraged company. The following chart sets forth certain important credit information and is presented as of December 31, 1998, (1) assuming we had completed the offerings and (2) assuming we had completed the offerings and consummated the Proposed Transactions, each as of December 31, 1998.

	Pro Forma for the Offerings and the Proposed Transactions	Pro Forma for the Offerings
	-----	-----
	(Dollars in thousands)	
Total indebtedness.....	\$ 729,710	\$ 909,710
Redeemable preferred stock.....	201,063	201,063
Stockholders' equity.....	1,114,562	1,491,562
Debt and redeemable preferred stock to equity ratio.....	0.84x	0.74x

In addition, assuming we had completed the Proposed Transactions on January 1, 1998, for the twelve months ended December 31, 1998, our earnings would have been insufficient to cover fixed charges by \$104.2 million.

Given our substantial indebtedness, we could be affected in the following ways:

- . We could be more vulnerable to general adverse economic and industry conditions.
- . We may find it more difficult to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements.
- . We will be required to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our debt, reducing the available cash flow to fund other projects.
- . We may have limited flexibility in planning for, or reacting to, changes in our business and in the industry.
- . We will have a competitive disadvantage relative to other less leveraged companies in our industry.

Our ability to service our debt and to fund planned capital expenditures in connection with our business strategy will depend, to a degree, on factors beyond our control, including general economic, financial, competitive and regulatory environments. We cannot guarantee that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness on or before maturity. We cannot guarantee, however, that we will be able to refinance our indebtedness on commercially reasonable terms or at all.

Currently we have debt instruments in place which restrict our ability to incur more indebtedness, pay dividends, create liens, sell assets and engage in certain mergers and acquisitions. Some of our subsidiaries, under the debt instruments, are also required to maintain specific financial ratios. Our ability to comply with the restrictions of these instruments and to satisfy our debt obligations will depend on our future operating performance. If we fail to comply with the debt restrictions, we will be in default under those instruments, which in some cases would cause the maturity of substantially all of our long-term indebtedness to be accelerated. See "Description of Certain Indebtedness" and "Description of Capital Stock--Senior Exchangeable Preferred Stock".

We May Not Consummate the Proposed Transactions

The debt and equity offerings are not conditioned on the consummation of the Proposed BAM JV, the Proposed BellSouth Transaction, the Proposed Powertel Acquisition or the Proposed One2One Transaction, and we cannot guarantee that we will complete any or all of these transactions. While we have signed definitive agreements with respect to the Proposed BAM JV, the Proposed Powertel Acquisition and the Proposed One2One Transaction, and a preliminary agreement in connection with the Proposed BellSouth Transaction, there are many conditions that must be satisfied before we can close these transactions.

In addition, we cannot assure you that the transactions, if and when consummated, will be done so on the terms described in this prospectus. The Formation Agreement relating to the Proposed BAM JV, the Letter Agreement related to the Proposed BellSouth Acquisition, the Asset Purchase Agreement relating to the Proposed Powertel Acquisition and the Framework Agreement relating to the Proposed One2One Transaction include provisions that could result in our purchasing fewer towers at closing. If one or more of these transactions is not consummated or is consummated on significantly different terms than those described in this prospectus, it could substantially affect the implementation of our business strategy.

Moreover, if the Proposed BAM JV is not consummated, the net proceeds from the preferred stock offering would not be used to form the joint venture, and if the Proposed BellSouth Transaction or the Proposed Powertel Acquisition is not consummated, part of the net proceeds from the debt and equity offerings would not be used to consummate those transactions. Therefore, in either case, we would have substantial discretion in applying the proceeds of our prior exchangeable preferred stock offering and of the debt and equity offerings to other uses. See "--We Will Have Broad Discretion in the Application of Proceeds from the Offerings". Further, we cannot guarantee that we would be able to identify any other acquisition of comparable value to our business or that any other acquisition that we did pursue would be on substantially the same economic terms as any of the proposed transactions we describe in this prospectus.

In connection with our entering into the Asset Purchase Agreement with Powertel, we made a \$50.0 million escrow payment, which amount, or some portion thereof, is subject to our forfeit if the Proposed Powertel Acquisition does not close as a result of our inability or unwillingness to deliver the balance of the purchase price at the scheduled closing date. In connection with our entering into the Letter Agreement with BellSouth, we placed \$50.0 million into an escrow fund. We could be forced to pay this amount to BellSouth if we do not enter into definitive agreements with respect to the Proposed BellSouth Transaction, or if we fail to comply with all conditions, covenants and representations we are required to fulfill in connection with the closings of the Proposed BellSouth Transaction. The loss of these escrow payments, alone or together, would significantly affect our available working capital and could have a material adverse effect on our ability to effect our business strategy. See "The Proposed Transactions".

We Require Significant Capital to Expand Our Operations and Make Acquisitions

Our business strategy contemplates substantial capital expenditures (1) in connection with the expansion of our tower footprints by partnering with wireless carriers to assume ownership or control of their existing towers, by pursuing build-to-suit opportunities and by pursuing other tower acquisition opportunities and (2) to acquire existing transmission networks globally as opportunities arise. We anticipate that we will build, through the end of 1999, approximately 750 towers in the United States at a cost of approximately \$175.0 million and approximately 200 towers in the United Kingdom at a cost of approximately \$23.0 million. We also expect that the capital expenditure requirements related to the roll-out of digital broadcast transmission in the United Kingdom will be approximately (Pounds)100.0 million (\$170.0 million). In addition to capital expenditures in connection with contracted build-to-suits, we expect to apply a significant amount of capital to finance the cash portion of the consideration being paid in connection with the Proposed Transactions.

To fund the execution of the our business strategy, including the Proposed Transactions, we expect to use the net proceeds of the offerings, the borrowings available under CCI's senior credit facility, the borrowings available under CTI's credit facility and the remaining net proceeds from our IPO and our 12 3/4% exchangeable preferred stock offering. Following consummation of the offerings and assuming all the Proposed Transactions are consummated, we believe we will have sufficient liquidity to fund our operations and pursue our business strategy in the near term. Our business strategy, however, includes the pursuit of additional tower acquisition and build-out opportunities, and we may have additional cash needs as opportunities arise. Some of the opportunities that we are currently pursuing could require significant additional capital. In the event we do not otherwise have cash available, or borrowings under our credit facilities have otherwise been utilized, when an opportunity arises, we would be forced to seek additional debt or equity financing or to forego the opportunity. In the event we determine 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 our existing indebtedness. To the extent we are unable to finance future capital expenditures, we will be unable to achieve our currently contemplated business strategy. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".

We Will Have Broad Discretion in the Application of Proceeds from the Offerings

We will allocate a substantial portion of the estimated net proceeds from the equity and debt offerings to fund the Proposed BellSouth Transaction and the Proposed Powertel Acquisition and for general corporate purposes. In addition, we may use these funds for as yet unidentified acquisitions, investments or joint ventures in the United States or abroad, especially if any or all of the Proposed Transactions are not consummated. If we do not consummate any or all of the Proposed Transactions, we would have a significant amount of unallocated net proceeds. Due to the number and variability of factors that we will analyze before we determine how to use these net proceeds, we cannot determine now how we would reallocate such proceeds. In addition, in such case we would have broad discretion in allocating these net proceeds from the offerings without any action or approval of our stockholders. Moreover, the indenture governing the issuance of the notes will not contain any restrictions on the use of proceeds from the offerings. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by us in determining the application of any such net proceeds. See "Use of Proceeds".

As a Holding Company, We Depend on Dividends from Subsidiaries to Meet Cash Requirements or Pay Dividends

Crown Castle International Corp. 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 or to pay interest on its outstanding indebtedness is distributions with respect to its ownership interest in its subsidiaries from the net earnings and cash flow generated by such subsidiaries. Although the notes will not require cash interest payments until , at such time the notes will have accreted to \$ million and will require annual cash interest payments of . In addition, the notes mature on . In addition, we will be required to begin paying cash interest payments on our 10 5/8% discount notes in May 2003 and on our 12 3/4% exchangeable preferred stock in March 2004. 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, would permit such dividends or distributions. Furthermore, the terms of CCI's senior credit facility and its outstanding notes place restrictions on CCI's ability, and the terms of CTI's credit facility and its outstanding bonds 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 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 "--Our Substantial Level of Indebtedness Could Adversely Affect Our Financial Condition" and "Description of Certain Indebtedness".

Our Agreements with TdF Give TdF Substantial Governance and Economic Rights

We have entered into agreements with TdF that give TdF significant protective rights with respect to the governance of CCIC and CTI, the ownership of CTI and the disposition of shares in CCIC and CTI. CTI's operations currently account for a substantial majority of our revenues.

TdF's Governance Rights

We have granted TdF the ability to govern some of our activities, including the ability to:

- . prohibit us from entering into certain material transactions, including material acquisitions;
- . elect up to two members of our Board of Directors; and
- . elect at least one director to the executive and nominating and corporate governance committees of our Board of Directors.

In addition, TdF has significant governance rights over CTI. Although TdF currently has only a 20% equity interest in CTI, these governance rights give TdF generally rights characteristic of those that a 50% partner to a joint venture would have.

TdF's exercise of these rights could be contrary to your interests and could prevent us from conducting some activities that our Board of Directors consider to be in our best interests and the best interests of our shareholders. See "Certain Relationships and Related Transactions--Agreements with TdF Related to the Roll Up--Governance Agreement".

TdF's CTSH Option

Under the circumstances described below, TdF also will have the right to acquire all of our shares in CTSH or to require us to purchase all of TdF's shares in CTSH, at fair market value in either case. This right will be triggered under the following circumstances:

- . the sale of all or substantially all of our assets;
- . a merger, consolidation or similar transaction that would result in any person owning more than 50% of our voting power or equity securities;
- . an unsolicited acquisition by any person of more than 25% of our voting power or equity securities; or
- . other circumstances arising from an acquisition by any person that would give rise to a right of the BBC to terminate our analog or digital transmission contracts with the BBC.

Further, immediately before any of these events occurs, TdF will have the right to require us to purchase 50% of their Class A common stock in cash at the same price we would have to pay once the event occurs.

If we were required to sell our shares in CTSH to TdF, we would no longer own our U.K. business. On the other hand, if we were required to purchase all of TdF's shares in CTSH and/or purchase 50% of their Class A common stock, we cannot guarantee that we would have the necessary funds to do so or that we would be permitted to do so under our debt instruments. If we did not have sufficient funds, we would have to seek additional financing. We cannot guarantee, however, that such financing would be available on commercially reasonable terms or at all. If such financing were not available, we might be forced to sell certain other assets at unfavorable prices in order to generate the cash needed to buy the shares from TdF. In addition, our obligation to purchase TdF's shares could result in an event of default under our debt instruments.

TdF's Liquidity Rights

Under certain other circumstances, TdF will have the right to require us to purchase all of their shares in CTSH, at fair market value. We may elect to pay either (1) in cash or (2) with our common stock at a discount of 15% to its market value. We cannot guarantee that we will have sufficient funds to purchase such shares for cash if TdF were to require us to purchase their shares of capital stock of CTSH. If we did not have sufficient funds, we would either need to seek additional financing or purchase the shares with our common stock. We cannot guarantee that we could obtain such financing on terms acceptable to us. If we were to issue shares of common stock to effect the

purchase, this would result in substantial dilution of our other stockholders, could adversely affect the market prices of the common stock and could impair our ability to raise additional capital through the sale of our equity securities. [E] See "--This Offering will Result in Substantial Dilution to the Value of Our Common Stock".

TdF's Preemptive Rights

Except in certain circumstances, if we issue any equity securities (other than equity that is mandatorily exchangeable for debt, such as the exchangeable preferred stock) to any person, including the equity offering and in connection with the Proposed BAM JV and the Proposed BellSouth Transaction, we must offer TdF the right to purchase, at the same cash price and on the same other terms proposed, up to the amount of such equity securities as would be necessary for TdF and its affiliates to maintain their consolidated ownership percentage in us. See "--This Offering will Result in Substantial Dilution to the Value of Our Common Stock".

The Construction and Acquisition of Towers Involves Various Risks

Our growth strategy depends on our ability to construct, acquire and operate towers in conjunction with the expansion of wireless carriers. As of December 31, 1998, we had 72 towers under construction. We currently have plans to commence construction on approximately 800 to 1,100 additional towers during fiscal 1999. Our ability to construct new towers can be affected by a number of factors beyond our 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. You should consider that:

- . the barriers to new construction may prevent us from building towers where we want;
- . we may not be able to complete the number of towers planned for construction in accordance with the requirements of our customers; and
- . we cannot guarantee that there will be a significant need for the construction of new towers once the wireless carriers complete the build-out of their tower network infrastructure.

Competition for the acquisition of towers is keen, and we expect it to continue to grow. We not only compete against other independent tower owners and operators, but also against wireless carriers, broadcasters and site developers. As competition increases for tower acquisitions, we may be faced with fewer acquisition opportunities, as well as higher acquisition prices. While we regularly explore acquisition opportunities, we cannot guarantee that we will be able to identify suitable towers to acquire in the future. In addition, we may need to seek additional debt or equity financing in order to fund such acquisitions and for working capital to fund the construction of the towers we have already planned or have under contract. We cannot, however, guarantee that such financing will be available or that the proposed financings will be permitted under our debt instruments. Moreover, we cannot guarantee that we will be able to identify, finance and complete future construction and acquisitions on acceptable terms or that we will be able to manage profitably and market under-utilized capacity on additional towers. The extent to which we are unable to construct or acquire additional towers, or manage profitably tower expansion, may have a material adverse effect on our financial condition and results of operations.

We believe that the time frame for the current wireless build-out cycle may be limited to the next few years, as many PCS and PCN networks have already been built out in large markets. If we do not move quickly and aggressively to obtain growth capital and capture this infrastructure opportunity, our financial condition and results of operations could be materially adversely affected.

Our Business Depends on the Demand for Wireless Communications

Demand for our site rentals depends on demand for communication sites from wireless carriers, which, in turn, depends 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 demand for our sites depends on certain factors which we cannot control, including:

- . the level of demand for wireless services generally;
- . the financial condition and access to capital of wireless carriers;
- . the strategy of carriers with respect to owning or leasing communication sites;
- . changes in telecommunications regulations; and
- . general economic conditions.

The wireless communications industry has experienced 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, we anticipate that a significant amount of our revenues over the next several years will be generated from carriers in the PCS and PCN market and, as such, we will be subject to downturns in PCS and PCN demand. Moreover, wireless carriers often operate with substantial leverage, and financial problems for our 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 our financial condition and results of operations.

Variability in Demand for Network Services May Reduce the Predictability of Our Results

Demand for our 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 carriers' tower build-outs;
- . timing of existing customer contracts; and
- . general economic conditions.

While demand for our network services fluctuates, we 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 our network services businesses for any particular period may vary significantly, and should not be considered as necessarily being indicative of longer-term results. Furthermore, as wireless 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 our operating performance.

We Operate our Business in an Increasingly Competitive Industry--Many of Our Competitors Have Significantly More Resources

We face competition for site rental customers from various sources, including:

- . other large independent tower owners;
- . wireless carriers that own and operate their own tower footprints and lease antenna space to other carriers;
- . site development companies which acquire antenna space on existing towers for wireless carriers and manage new tower construction; and
- . 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 we have. We believe 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.

We compete for acquisition and new tower construction opportunities with wireless communications carriers, broadcasters, site developers and other independent tower operators. We believe 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 we have. See "--The Construction and Acquisition of Towers Involves Various Risks".

NTL, which owns the privatized engineering division of the Independent Broadcasting Authority, is our principal competitor in the terrestrial broadcast transmission market in the United Kingdom. We could encounter significant competition from NTL for our transmission business with the BBC or ONdigital following the expiration of our current contracts with these broadcasters. See "--We Rely Heavily on Agreements with Several Business Partners".

We Rely Heavily on Agreements with Several Business Partners

Assuming we had completed the Roll-Up and the Proposed Transactions as of January 1, 1998, none of our customers would have accounted for more than ten percent of our revenues except the BBC, which would have accounted for approximately 25.1% of our revenues for the twelve month period ended December 31, 1998.

Our broadcast transmission business is substantially dependent on contracts with the BBC. See "Business--U.K. Operations--Significant Contracts". The initial term of our analog transmission contract with the BBC will expire on March 31, 2007, and our digital transmission contract with the BBC expires on October 31, 2010. In addition, our digital transmission contract with the BBC may be terminated by the BBC after five years if the BBC's board of governors does not believe that digital television in the United Kingdom has enough viewers, subject to payment to CTI of predetermined cash compensation if this occurs. We cannot guarantee that the BBC will renew these contracts or that they will not attempt to negotiate terms that are not as favorable to us as those in place now. If we were to lose the BBC contracts, our business, results of operations and financial condition would be materially adversely affected.

In order to optimize service coverage in the United Kingdom and enable viewers to receive all analog UHF television services using one receiving antenna, CTI and NTL have agreed to share all UHF television sites. See "Business--U.K. Operations--Significant Contracts". We are currently in negotiations with NTL to amend the agreement to reflect the build-out of digital transmission sites and equipment, new rates for site sharing fees for new digital facilities and revised operating and

maintenance procedures for the new equipment. This agreement may be terminated with five years' notice by either CTI or NTL, and is set to expire on December 31, 2005. Although we do not believe that the agreement will be terminated, we cannot guarantee that it will not be, which could have a material adverse effect on our business, results of operations and financial condition.

We Are Subject to Extensive Regulations Which Could Change at Any Time

We are subject to a variety of foreign, federal, state and local regulation. In the United States, both the Federal Communications Commission and Federal Aviation Administration 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. 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. We generally indemnify our customers against any failure to comply with applicable standards. Failure to comply with applicable requirements may lead to civil penalties or require us 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 our ability to respond to customers' demands. In addition, such regulations increase the costs associated with new tower construction. We cannot guarantee 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. These factors could have a material adverse effect on our 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. In order to construct or materially alter towers, we must receive regulatory approvals from the Civil Aviation Authority, which ensures that new antenna structures do not present a hazard to aviation, and from local government planning authorities. In addition, we sometimes must receive international frequency clearance. Our ability to respond to customers' demands may be delayed or even prevented by the need to seek these approvals. We cannot guarantee, therefore, 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. These factors could have a material adverse effect on our financial condition and results of operations.

Since we signed the analog transmission contract with the BBC, the BBC has increased its service requirements to include 24-hour broadcasting on our terrestrial transmission network for the BBC's two national television services and 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 (\$1,330,240) per year in the charges payable by the BBC to CTI 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 we expect the license to be amended, there can be no assurance as to the final resolution of these issues with OFTEL.

Our customers may also become subject to new regulations or regulatory policies which adversely affect the demand for communication sites. In addition, as we pursue international opportunities, we will be subject to regulation in foreign jurisdictions.

We are also subject to laws and regulations relating to worker health and safety. If we fail to comply with such laws and regulations, it could have a material adverse effect on our business, results of operations or financial condition.

Costs of Compliance with Environmental Laws Could Adversely Affect Our Financial Condition

Our 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. Under certain environmental laws, we could be held liable for the remediation of hazardous substance contamination at current or former facilities or at third-party waste disposal sites, and we also could be subject to personal injury or property damage claims related to such contamination. Although we believe that we are in substantial compliance with all applicable environmental laws, we cannot guarantee that costs of compliance with existing or future environmental laws will not have a material adverse effect on our financial condition and results of operations. See "Business--Environmental Matters".

Emissions from Our Antennas May Create Health Risks

Our towers are subject to government requirements and other guidelines relating to radio frequency emissions. The potential connection between radio frequency 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 we have not been subject to any claims relating to radio frequency emissions, we cannot guarantee that we will not be subject to such claims in the future.

We Are Subject to Risks Associated with Our International Operations

We conduct business in countries outside the United States, which exposes us to fluctuations in foreign currency exchange rates. For the twelve month period ended December 31, 1998, assuming we had completed the Roll-Up on January 1, 1998, but without giving effect to the Proposed Transactions, approximately 74.3% of our consolidated revenues would have originated outside the United States, all of which were denominated in currencies other than U.S. dollars (principally pounds sterling). We have not historically engaged in significant hedging activities with respect to our non-U.S. dollar operations.

Our 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. We cannot guarantee that these and other factors will not have a material adverse effect on our financial condition or results of operations.

We Are Heavily Dependent on Our Senior Management

Our existing operations and continued future development are dependent to a significant extent upon the performance and active participation of certain key individuals, including senior management. We cannot guarantee that we will be successful in retaining the services of these, or other key personnel. None of our employees have signed noncompetition agreements. If we were to lose any of these individuals, our financial condition and results of operations could be materially adversely affected.

[D] The Notes Are Subject to the Risk of Fraudulent Conveyance Liability

Various laws enacted for the protection of creditors may apply to our incurrence of indebtedness, including the issuance of the notes in this offering. If a court were to find in a lawsuit by an unpaid creditor or representative of creditors that we did not receive fair consideration or reasonably equivalent value for incurring such indebtedness or obligation and, at the time of such incurrence, we (1) were insolvent; (2) were rendered insolvent by reason of such incurrence; (3) were engaged in a business or transaction for which our remaining assets constituted unreasonably small capital; or (4) intended to incur or believe we would incur obligations beyond our ability to pay such obligations as they mature, such court, subject to applicable statutes of limitation, could determine to invalidate, in whole or in part, such indebtedness and obligations as fraudulent conveyances or subordinate such indebtedness and obligations to existing or future creditors.

[D] Original Issue Discount Will Accrue on the Notes and Create a Tax Liability for Noteholders

The notes will be issued at a substantial discount from their stated principal amount at maturity. Consequently, although cash interest on the notes generally will not be payable prior to , 2004, original issue discount will be includable in the gross income of a holder of the notes for U.S. federal income tax purposes in advance of the receipt of such cash payments on the notes. See "Certain United States Federal Income Tax Considerations" for a more detailed discussion on the U.S. federal income tax consequences of purchase, ownership and disposition of the notes.

If a bankruptcy case is commenced by or against us under the U.S. Bankruptcy Code after the issuance of the notes, the claim of a holder of notes with respect to the principal amount thereof may be limited to an amount equal to the sum of (1) the initial offering price and (2) that portion of the original issue discount that is not deemed to constitute "unmatured interest" for purposes of the U.S. Bankruptcy Code. Any OID that was not accrued as of any such bankruptcy filing would constitute "unmatured interest."

If the notes provide initial holders with a yield to maturity which equals or exceeds the Treasury-based interest rate in effect for the month of their issuance plus five percentage points, then we will not be able to deduct original issue discount with respect to the notes until paid. In the event that such yield to maturity exceeds such interest rate plus six percentage points, then we may not be able to deduct a portion of such original issue discount. See "Certain United States Federal Income Tax Considerations--U.S. Holders--Applicable High Yield Discount Obligations".

[E] Risk of Loss of Tax Benefits and Restrictions on Stock Transfer

If, as a result of any transaction involving our equity securities, an ownership change occurs for federal income tax purposes, our ability to use our net operating losses, which we refer to as NOLs, to offset taxable income, and thereby reduce our tax liability, would be severely limited. Under Section 382 of the Internal Revenue Code of 1986, as amended, an ownership change would be deemed to have occurred if on any testing date the ownership of stock by one or more 5-percent shareholders had increased by more than 50 percentage points during the preceding three years. The need to preserve our NOLs by complying with the limitations imposed by Section 382 may limit our ability to raise equity financing in the future.

The common stock sold in this offering will be deemed, for purposes of Section 382, to have been acquired by a separate public group treated as a new 5-percent shareholder which had an increase in ownership. The ownership increase by this new public group, as well as any ownership increase by other 5-percent shareholders, must be taken into account in determining whether we have undergone an ownership change under Section 382.

It is unclear whether the offering will result in an ownership change. However, we have taken and must continue to take into account the public group ownership increase resulting from the common stock sold in the offering for three years after the sale in computing the change in ownership for future transactions (including the issuance of additional common stock or equity-related instruments).

We are Subject to Year 2000 Compliance Problems

We are in the process of conducting a comprehensive review of our computer systems to identify which of our systems will need to be modified, upgraded or converted to recognize dates after December 31, 1999, which is known as the year 2000 problem. The failure to correct a material year 2000 problem could result in a system failure, such as the failure of tower lighting or security monitoring systems, or miscalculations causing disruption of operations including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

In 1997 we established a year 2000 project to ensure that the issue received appropriate priority and that the necessary resources were made available. This project includes the replacement of our worldwide business computer systems with systems that use programs that will make approximately 90% of our business computer systems year 2000 compliant. The testing phase of the year 2000 project is ongoing as hardware or system software is remediated, upgraded or replaced. Testing as well as remediation is scheduled for completion in June 1999. The final phase of our year 2000 project, contingency planning, will be completed and tested to the extent possible by September 1999.

However, we cannot assure you that all year 2000 compliance issues will be resolved without any future disruption or that we will not incur significant additional expense. In addition, if some of our major suppliers and customers fail to address their own year 2000 compliance issues, their non-compliance could have a material adverse effect on us and our operations.

[E] Anti-Takeover Provisions in Our Certificate of Incorporation Could Have Effects That Conflict with the Interests of Our Stockholders

Certain provisions of our certificate of incorporation, by-laws and operative agreements entered into in connection with the Roll-Up could make it more difficult for a third party to acquire control of us even if such change in control would be beneficial to our stockholders. These provisions include:

- . the right of the holders of our 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 preferred stock without approval of the holders of common stock (other than the holders of our 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 our Class A common stock approve certain changes to the certificate of incorporation or the by-laws.

In addition, our 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 with TdF, TdF generally will have the right to purchase our equity interest in CTSB upon the occurrence of an acquisition of us that is not approved by TdF. In addition, subject to certain limitations, our BBC contracts 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 we are subject), could impede a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. In certain circumstances, the fact that corporate devices are in place that will hinder takeover attempts could reduce the market value of our common stock. See "--Our agreements with TdF Give TdF Substantial Governance and Economic Rights" and "Description of Capital Stock".

[E] Sales of a Substantial Number of Shares of Common Stock After the Equity Offering Could Adversely Affect the Market Price of the Common Stock

Upon completion of the equity offering, we will have shares of common stock outstanding. In addition, we have reserved for issuance shares of common stock upon exercise of outstanding stock options, shares of common stock upon exercise of outstanding warrants and shares of common stock for the conversion of the outstanding Class A common stock. The shares sold in the offering will be freely transferable without restriction under the Securities Act, unless they are held by our "affiliates" as that term is used under the Securities Act. See "Shares Eligible for Future Sale".

[E] This Offering Will Result in Substantial Dilution to the Value of Our Common Stock

Persons purchasing shares of common stock in the equity offering will incur immediate and substantial dilution in net tangible book value per share. Purchasers of shares in the equity offering will experience dilution of \$ per share. In addition, 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 CTSB shares and warrants for CTSB shares for shares of our Class A common stock (which is convertible into our common stock) and warrants for our Class A common stock (which is convertible into our common stock). Such exchange would be based on the exchange ratio used in the Roll-Up 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 CTSB in accordance with the Governance Agreement, TdF can require us to purchase all of TdF's equity interest in CTSB at its fair market value, which purchase may be made, at our election, in shares of common stock valued at a discount of 15% to its then current market value. See "--Our Agreements with TdF Give TdF Substantial Governance and Economic Rights". If we were to make such an election, it would result in substantial additional dilution. See "--Our Agreements with TdF Give TdF Substantial Governance and Economic Rights" and "Dilution". In addition, to the extent that outstanding options and warrants to purchase common stock are exercised, there could be substantial additional dilution.

Except in certain circumstances, if we issue any equity securities (other than equity that is mandatorily exchangeable for debt, such as the exchangeable preferred stock) to any person, including the equity offering and in connection with the Proposed BAM JV and the Proposed BellSouth Transaction, we must offer TdF the right to purchase, at the same cash price and on the same other terms proposed, up to the amount of such equity securities as would be necessary for TdF and its affiliates to maintain their consolidated ownership interest in us. TdF will be able to exercise such preemptive rights in connection with our acquisition of Millennium Communications Limited in the United Kingdom on October 8, 1998 and in connection with our contribution of shares of our common stock to the Proposed BAM JV and our payment of consideration in connection with the Proposed BellSouth Transaction. If TdF exercises its preemptive rights, it will be able to acquire up to 125,000 shares of our common stock at a price of \$13.00 per share as a result of the Millennium acquisition, up to 5.42 million shares at a price of \$12.65 per share in connection with the closing of the Proposed BAM JV. TdF will also have preemptive rights in connection with the closing of the Proposed BellSouth Transaction.

[E] Fluctuations in Business Activity May Result in Volatility of Share Price

The market price of the common stock after the equity offering may be significantly affected by factors such as quarterly variations in our results of operations, the announcement of new contracts by us or our competitors, technological innovation by us or our competitors and general market conditions specific to particular industries. Such fluctuations may adversely affect the market price of the common stock.

[D] There is Currently No Market for the Notes

The notes are a new issue of securities for which there is currently no trading market. The underwriters have advised us that they intend to make a market in the notes, although the underwriters are not obligated to do so and may discontinue such market making at any time. We do not intend to apply for listing of the notes on any domestic securities exchange or to seek approval for quotation through an automated quotation system. Accordingly, there can be no assurance that an active market will develop upon completion of the debt offering or, if developed, that such market will be sustained or as to the liquidity of any market.

This Document Includes Forward-Looking Statements

This document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this document, including, without limitation, the statements under "Prospectus Summary", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Background" and "Business" and located elsewhere in this document regarding industry prospects, our prospects and our financial position are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations are disclosed in this document, including, without limitation, in conjunction with the forward-looking statements included under "Risk Factors". All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements included in this document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur.

USE OF PROCEEDS

[D] The net proceeds from the debt offering are estimated to be \$ million, after deducting estimated fees and expenses. Concurrently with the debt offering, we are offering shares of our common stock. The closing of the debt offering is conditioned upon the closing of the equity offering.

[E] The net proceeds from the equity offering are estimated to be approximately \$ million, after deducting estimated fees and expenses. Concurrently with the equity offering, we are offering \$ million principal amount at maturity of our % Senior Discount Notes due 2011. The closing of the equity offering is conditioned upon the closing of the debt offering.

We expect to use the total net proceeds of the debt and equity offerings, which are estimated to be \$ million, to repay a term loan facility incurred to finance a portion of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition, to finance the balance of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition and for general corporate purposes. The loans we are repaying under the term loan facility were used to refinance indebtedness under CCI's senior credit facility. The term loans mature on November 30, 2007 and bear interest at an increasing rate on LIBOR, not to exceed 16.0%.

However, the closing of the offerings is not contingent on the consummation of any of the Proposed Transactions. The Proposed Transactions may not occur or may occur on terms significantly different from those described in this prospectus. If the Proposed BellSouth Transaction or Proposed Powertel Acquisition does not occur, or if either or both occurs on terms different from those described, we would be able to use the net proceeds from the offerings that were allocated to finance the Proposed BellSouth Transaction and Proposed Powertel Acquisition for working capital and general corporate purposes, including to finance as yet unidentified acquisitions, investments or joint ventures in the United States or abroad. In that situation, we would have broad discretion in allocating a significant portion of the net proceeds from the offerings without action or approval of [D] the holders of the discount notes [E] the holders of our common stock. Accordingly, if the Proposed BellSouth Transaction or the Proposed Powertel Acquisition is not consummated as described in this prospectus, holders of our [D] discount notes [E] common stock would not have the opportunity to evaluate the economic, financial and other relevant information that we would consider in determining the application of the net proceeds of the offerings.

[E] PRICE RANGE OF COMMON STOCK

Our common stock is listed and traded on the Nasdaq National Market under the symbol "TWRS". The following table sets forth for the periods indicated the high and low sale prices of the common stock as reported by Nasdaq:

	High	Low
	-----	-----
1998		
Third Quarter.....	\$13.31	\$ 6.00
Fourth Quarter.....	23.50	9.87
1999		
First Quarter (through March 15, 1999).....	\$23.50	\$16.63

On March 15, 1999, the last reported sale price of the common stock as reported by Nasdaq was \$19.94. As of March 15, 1999, there were approximately 256 holders of record of the common stock.

[E] DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock and do not anticipate paying cash dividends on our capital stock in the foreseeable future. It is our current policy to retain earnings to finance the expansion of our operations. Future declaration and payment of dividends, if any, will be determined in light of the then-current conditions, including our earnings, operations, capital requirements, financial condition and other factors deemed relevant by the Board of Directors. In addition, our ability to pay dividends is limited by the terms of our debt instruments and the terms of the certificate of designations in respect of our 12 3/4% exchangeable preferred stock. See "Description of Certain Indebtedness" and "Description of Capital Stock".

[E] 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 offerings. 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.

Our net tangible book value on December 31, 1998, after subtracting the interests of the preferred shareholders, was approximately \$ or \$ per share. After giving effect to the receipt of approximately \$ million of estimated net proceeds from the sale by us of shares of common stock pursuant to the offering, our pro forma net tangible book value at December 31, 1998 would have been approximately \$ million or \$ per share. This represents an immediate increase in pro forma net tangible book value of \$ per share to the existing stockholders and an immediate dilution of \$ 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

Public offering price per share (a).....	
Pro forma net tangible book value before the offering.....	
Increase per share attributable to new investors.....	
Pro forma net tangible book value after the offerings.....	
Dilution per share to new investors (b).....	

-
- (a) Before deducting underwriting discounts and estimated transaction fees and expenses of \$ million to be paid by us 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.

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 "Certain Relationships and Related Transactions--Agreements with TdF Related to the Roll-Up". The foregoing tables and discussion assume no exercise of stock options or warrants after December 31, 1998 and exclude (i) shares issuable upon exercise of stock options outstanding as of December 31, 1998 having a weighted average exercise price of \$ per share under our 1995 Stock Option Plan, (ii) additional shares authorized for issuance under our 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's put

right or our 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 us to repurchase the shares of capital stock of CTSH held by TdF at fair market value. Pursuant to the Governance Agreement, we 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--Our Agreements with TdF Give TdF Substantial Governance and Economic Rights". If we were to issue shares of our common stock to effect the purchase, such issuance would result in substantial dilution to our other stockholders. In addition, TdF has the right to acquire additional shares of common stock pursuant to its preemptive rights under the Governance Agreement. These shares may, in some cases (such as in connection with the Proposed BAM JV) result in TdF having the right to acquire shares at below the then current public market price. Since December 31, 1998, we have granted options to purchase an additional shares of common stock, of which options for shares have an exercise price of \$ and options for shares have an exercise price of \$. To the extent that outstanding stock options or warrants are exercised, there will be further dilution to new investors. See "Risk Factors--Our Agreements with TdF Give TdF Substantial Governance and Economic Rights", "--This Offering Will Result in Substantial Dilution to the Value of Our Common Stock", "Capitalization", "Management--Executive Compensation--Stock Option Plan" and Notes 8 and 9 of Notes to Consolidated Financial Statements.

CAPITALIZATION

The following table sets forth as of December 31, 1998 (i) the historical capitalization of the Company, (ii) the pro forma capitalization of the Company after giving effect to the Offerings and (iii) the pro forma capitalization of the Company after giving effect to the Offerings and the Proposed Transactions. 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 document. The Proposed Transactions are not contingent upon the Offerings. See "Unaudited Pro Forma Condensed Consolidated Financial Statements" for detail regarding the pro forma adjustments.

	December 31, 1998		
	Actual	Pro Forma for Offerings	Pro Forma for Offerings and Proposed Transactions
	(Dollars in thousands, except share amounts)		
Cash and cash equivalents(a).....	\$ 296,450	\$ 962,575	\$ 49,583
Notes payable and current maturities of long-term debt.....	\$ --	\$ --	\$ --
Long-term debt (less current maturities):			
Senior Credit Facility(b).....	\$ 5,500	\$5,500	\$5,500
10 5/8% Senior Discount Notes due 2007.....	168,099	168,099	168,099
CTI Credit Facility(b).....	55,177	55,177	55,177
9% Guaranteed Bonds due 2007.....	200,934	200,934	200,934
Proposed BAM JV Credit Facility.....	--	--	180,000
Notes offered [D] hereby [E] concurrently.....	--	300,000	300,000
Total long-term debt(a).....	429,710	729,710	909,710
Minority interests.....	39,185	39,185	50,915
Redeemable preferred stock:			
Exchangeable Preferred Stock (\$.01 par value; 400,000 shares authorized; 200,000 shares issued)(a).....	201,063	201,063	201,063
Stockholders' equity:			
Common stock (\$.01 par value; 690,000,000 shares authorized):			
Common Stock (83,123,873 shares issued, actual; shares issued, pro forma for offerings; and shares issued, pro forma for the offerings and the Proposed Transactions)(c)...	831	831	831
Class A Common Stock (11,340,000 shares issued).....	113	113	113
Additional paid-in capital(c).....	795,153	1,175,153	1,552,153
Cumulative foreign currency translation adjustment.....	1,690	1,690	1,690
Accumulated deficit.....	(60,225)	(63,225)	(63,225)
Total stockholders' equity(a).....	737,562	1,114,562	1,491,562
Total capitalization(a).....	\$1,407,520	\$2,084,520	\$2,653,250

- (a) [D] On a pro forma basis for the Offerings and the Proposed Transactions, the Restricted Group (as defined) would have cash and cash equivalents, total long-term debt, redeemable preferred stock, total stockholders' equity and total capitalization of \$3.3 million, \$473.6 million, \$201.1 million, \$1,491.6 million, and \$2,166.2 million, respectively. See "Unaudited Pro Forma Condensed Consolidated Financial Statements--Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet".
- (b) As of March 1, 1999, our principal U.S. subsidiary, CCI, had unused borrowing availability under the Senior Credit Facility of approximately \$54.0 million, and our principal U.K. subsidiary, CTI, had approximately (Pounds)24.0 million (\$39.9 million) of unused borrowing availability under the CTI Credit Facility. See "Description of Certain Indebtedness".
- (c) The Company's issuance of (1) approximately 15.6 million shares of common stock in connection with the formation of the Proposed BAM JV, (2) approximately 9.1 million shares of common stock in connection with the Proposed BellSouth Transaction and (3) approximately million shares of common stock pursuant to [E] this [D] the equity offering will give TdF the right to purchase up to approximately (1) 5.42 million shares of common stock at approximately \$12.65 per share, (2) million shares of common stock at approximately \$ per share and (3) million shares of common stock at a price equal to the public offering price less the underwriting

discount pursuant to TdF's antidilutive right under the Governance Agreement. See "Certain Relationships and Related Transactions--Agreements with TdF Related to the Roll-Up--Governance Agreement".

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 during the period presented, adjusted to give effect to the following transactions (collectively, the "Transactions"):

- (1) the Roll-Up;
- (2) the IPO;
- (3) the conversion of CCIC's senior convertible preferred stock into common stock (all of which, as of July 17, 1998, had been converted);
- (4) the issuance of CCIC's 12 3/4% Exchangeable Preferred Stock due 2010;
- (5) the debt and equity offerings;
- (6) the Proposed BAM JV;
- (7) the Proposed BellSouth Transaction; and
- (8) the Proposed Powertel Acquisition.

In this pro forma discussion, we refer to the transactions set forth in clauses (1) through (4) of the preceding sentence collectively as the 1998 Transactions, and we refer to the Proposed BAM JV, the Proposed BellSouth Transaction and the Proposed Powertel Acquisition collectively as the Proposed Transactions. We refer to all of the above transactions as the Transactions.

The Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 1998 gives effect to the Transactions as if they had occurred as of January 1, 1998. The Unaudited Pro Forma Condensed Consolidated Balance Sheet gives effect to the (1) debt and equity offerings and (2) the Proposed Transactions as if they had occurred as of December 31, 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.

[D] Included in the notes accompanying the Pro Forma Financial Statements are tables summarizing the unaudited pro forma results of operations and balance sheet for CCIC and its Restricted Subsidiaries (as defined in the Indenture governing the 10 5/8% discount notes, the "10 5/8% Notes Indenture"); such group of companies is hereinafter referred to as the "Restricted Group". The Restricted Group excludes CTI and the Proposed BAM JV, both of which are designated as Unrestricted Subsidiaries (as defined in the 10 5/8% Notes Indenture) under our debt instruments.

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 1998 Transactions, the debt and equity offerings or the Proposed 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 document and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The Roll-Up, the Proposed BAM JV and the Proposed Powertel Acquisition are accounted for under the purchase method of accounting. The total purchase price for the Roll-Up, the Proposed BAM JV and the Proposed Powertel Acquisition 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 in our IPO.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended December 31, 1998
(Dollars in thousands, except per share amounts)

	Historical CCIC(a)	Historical CTI(b)	Adjustments for 1998 Transactions	Pro Forma for 1998 Transactions	Adjustments for Offerings	Pro Forma for 1998 Transactions and Offerings	Historical Proposed BAM JV(j)	Adjustments for Proposed BAM JV
Net revenues:								
Site rental and broadcast transmission....	\$ 75,028	\$84,714	\$ --	\$159,742	\$ --	\$ 159,742	\$ 11,183	\$31,009(k)
Network services and other.....	38,050	12,514	(265)(c)	50,299	--	50,299	--	--
Total net revenues.....	113,078	97,228	(265)	210,041	--	210,041	11,183	31,009
Operating expenses:								
Costs of operations:								
Site rental and broadcast transmission....	26,254	35,901	--	62,155	--	62,155	14,941	-- (l)
Network services and other.....	21,564	7,916	--	29,480	--	29,480	--	--
General and administrative..	23,571	5,265	(265)(c)	28,571	--	28,571	--	-- (l)
Corporate development.....	4,625	8	--	4,633	--	4,633	--	--
Non-cash compensation charges.....	12,758	3,831	--	16,589	--	16,589	--	--
Depreciation and amortization....	37,239	25,684	11,463 (d)	74,386	--	74,386	6,278	23,346 (m)
	126,011	78,605	11,198	215,814	--	215,814	21,219	23,346
Operating income (loss).....	(12,933)	18,623	(11,463)	(5,773)	--	(5,773)	(10,036)	7,663
Other income (expense):								
Equity in earnings of unconsolidated affiliate.....	2,055	--	(2,055)(e)	--	--	--	--	--
Interest and other income (expense).....	4,220	725	--	4,945	--	4,945	--	--
Interest expense and amortization of deferred financing costs.....	(29,089)	(13,378)	3,689 (f)	(38,778)	(32,570)(i)	(71,348)	--	(17,711)(n)
Income (loss) before income taxes and minority interests.....	(35,747)	5,970	(9,829)	(39,606)	(32,570)	(72,176)	(10,036)	(10,048)
Provision for income taxes....	(374)	--	--	(374)	--	(374)	--	--
Minority interests.....	(1,654)	--	(1,194)(g)	(2,848)	--	(2,848)	--	4,155 (o)
Net income (loss).....	(37,775)	5,970	(11,023)	(42,828)	(32,570)	(75,398)	(10,036)	(5,893)
Dividends on preferred stock.....	(5,411)	--	(21,334)(h)	(26,745)	--	(26,745)	--	--
Net income (loss) after deduction of dividends on preferred stock.....	\$(43,186)	\$ 5,970	\$(32,357)	\$(69,573)	\$(32,570)	\$(102,143)	\$(10,036)	\$(5,893)
Loss per common share--basic and diluted	\$ (1.02)			\$ (0.74)		\$		
Common shares outstanding-- basic and diluted (in								

thousands).....	42,518 =====		94,064 =====		=====
	Pro Forma for 1998 Transactions, Offerings and Proposed BAM JV	Adjustments for Proposed BellSouth Transaction	Historical Powertel(s)	Adjustments for Proposed Powertel Acquisition	Pro Forma for the Transactions
	-----	-----	-----	-----	-----
Net revenues:					
Site rental and broadcast transmission....	\$ 201,934	\$33,840(p)	\$ 1,865	\$14,040(t)	\$ 251,679
Network services and other.....	50,299	--	--	--	50,299
	-----	-----	-----	-----	-----
Total net revenues.....	252,233	33,840	1,865	14,040	301,978
	-----	-----	-----	-----	-----
Operating expenses:					
Costs of operations:					
Site rental and broadcast transmission....	77,096	11,400(l)(q)	6,167	-- (l)	94,663
Network services and other.....	29,480	--	--	--	29,480
General and administrative..	28,571	-- (l)	--	-- (l)	28,571
Corporate development....	4,633	--	--	--	4,633
Non-cash compensation charges.....	16,589	--	--	--	16,589
Depreciation and amortization....	104,010	30,500 (r)	7,534	6,111 (u)	148,155
	-----	-----	-----	-----	-----
	260,379	41,900	13,701	6,111	322,091
	-----	-----	-----	-----	-----
Operating income (loss).....	(8,146)	(8,060)	(11,836)	7,929	(20,113)
Other income (expense):					
Equity in earnings of unconsolidated affiliate.....	--	--	--	--	--
Interest and other income (expense).....	4,945	--	--	--	4,945
Interest expense and amortization of deferred financing costs.....	(89,059)	--	--	--	(89,059)
	-----	-----	-----	-----	-----
Income (loss) before income taxes and minority interests.....	(92,260)	(8,060)	(11,836)	7,929	(104,227)
Provision for income taxes....	(374)	--	--	--	(374)
Minority interests.....	1,307	--	--	--	1,307
	-----	-----	-----	-----	-----
Net income (loss).....	(91,327)	(8,060)	(11,836)	7,929	(103,294)
Dividends on preferred stock.....	(26,745)	--	--	--	(26,745)
	-----	-----	-----	-----	-----
Net income (loss) after deduction of dividends on preferred stock.....	\$(118,072)	\$(8,060)	\$(11,836)	\$ 7,929	\$(130,039)
	=====	=====	=====	=====	=====
Loss per common share--basic and diluted	\$				\$
	=====				=====
Common shares outstanding-- basic and diluted (in thousands).....					
	=====				=====

See Notes to Unaudited Pro Forma Condensed Consolidated Statement of

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations
(Dollars in thousands)

- (a) The historical results of operations for CTI are included in CCIC's historical results of operations for the period from the date of the Roll-Up, August 21, 1998, through December 31, 1998.
- (b) Reflects the historical results of operations of CTI (under U.S. GAAP) for the periods prior to the consummation of the Roll-Up on August 21, 1998. Such results have been translated from pounds sterling to U.S. dollars at the average Noon Buying Rate for the period.
- (c) Reflects the elimination of management fees payable to CCIC from CTI.
- (d) Reflects the incremental amortization of goodwill as a result of the Roll-Up. Goodwill is being amortized over twenty years.
- (e) Reflects the elimination of equity accounting adjustments to include CCIC's percentage in CTI's earnings and losses.
- (f) Reflects decrease in interest expense attributable to the repayment of borrowings under CCIC's senior credit facility from a portion of the net proceeds from the issuance of our 12 3/4% exchangeable preferred stock.
- (g) Reflects the minority interest in dividends accrued on CTI's Redeemable Preference Shares.
- (h) Reflects (1) decrease in dividends of \$4,348 attributable to the conversion of the outstanding shares of senior convertible preferred stock into shares of common stock and (2) increase in dividends of \$25,682 attributable to 12 3/4% exchangeable preferred stock.
- (i) Reflects (1) increase in interest expense of \$29,570 as a result of the issuance of the notes in the debt offering at an assumed interest rate of % per annum and (2) nonrecurring financing fees of \$3,000 related to the term loans incurred to fund the escrow payments in connection with the Proposed BellSouth Transaction and the Proposed Powertel Acquisition (the "Term Loans").
- (j) Reflects the historical results of operations of the tower operations to be contributed to the Proposed BAM JV.
- (k) Reflects additional revenues to be recognized by the Proposed BAM JV pursuant to the BAM global lease and the Formation Agreement.
- (l) CCIC expects that the Proposed BAM JV will incur incremental operating expenses as a stand-alone entity. Such incremental expenses are currently estimated to amount to approximately \$5.2 million per year. In addition, CCIC expects that it will incur incremental operating expenses as a result of the Proposed BellSouth Transaction and the Proposed Powertel Acquisition. Such incremental expenses are currently estimated to amount to approximately \$15.9 million per year. These incremental operating expenses are based on management's best estimates rather than any contractual obligations; as such, these amounts have not been presented as adjustments in the accompanying Pro Forma Financial Statement.
- (m) Reflects the incremental depreciation of property and equipment as a result of the Proposed BAM JV. Property and equipment is being depreciated over twenty years.
- (n) Reflects additional interest expense attributable to borrowings under a credit facility to be entered into by the Proposed BAM JV. Such borrowings are initially estimated to incur interest at a rate of 9.25% per annum.
- (o) Reflects the minority partner's 37.7% interest in the Proposed BAM JV's operations.
- (p) Reflects additional revenues to be recognized by CCIC in connection with the Proposed BellSouth Transaction pursuant to the Sublease and the Letter Agreement. This amount includes \$26,640 in revenues to be received from BellSouth and \$7,200 in revenues to be received from other tenants.
- (q) Reflects additional costs to be incurred for ground rents in connection with the Proposed BellSouth Transaction pursuant to the Letter Agreement.
- (r) Reflects the incremental depreciation of property and equipment as a result of the Proposed BellSouth Transaction. Property and equipment is being depreciated over twenty years.
- (s) Reflects the historical results of operations of the tower operations to be acquired in the Proposed Powertel Acquisition.
- (t) Reflects additional revenues to be recognized by CCIC in connection with the Proposed Powertel Acquisition pursuant to the Master Site Agreements and the Asset Purchase Agreement.
- (u) Reflects the incremental depreciation of property and equipment as a result of the Proposed Powertel Acquisition. Property and equipment is being depreciated over twenty years.

[D] The following tables summarize the unaudited pro forma results of operations for the Restricted Group. Such information is not intended as an alternative measure of the operating results as would be determined in accordance with generally accepted accounting principles.

Year Ended December 31, 1998								
	Pro Forma for Offerings	Exclusion of Unrestricted Subsidiaries	Exclusion of Certain Adjustments for Roll-Up	Restricted Group Pro Forma for Offerings	Adjustments for Proposed BellSouth Transaction	Historical Powertel	Adjustments for Proposed Powertel Acquisition	Restricted Group Pro Forma for the Transactions
Net revenues:								
Site rental and broadcast transmission.....	\$ 159,742	\$(137,201)	\$ --	\$ 22,541	\$33,840	\$ 1,865	\$14,040	\$ 72,286
Network services and other.....	50,299	(18,082)	--	32,217	--	--	--	32,217
Total net revenues....	210,041	(155,283)	--	54,758	33,840	1,865	14,040	104,503
Operating expenses:								
Costs of operations:								
Site rental and broadcast transmission.....	62,155	(56,038)	--	6,117	11,400	6,167	--	23,684
Network services and other.....	29,480	(12,151)	--	17,329	--	--	--	17,329
General and administrative.....	28,571	(7,683)	265	21,153	--	--	--	21,153
Corporate development..	4,633	(8)	--	4,625	--	--	--	4,625
Non-cash compensation charges.....	16,589	(6,682)	--	9,907	--	--	--	9,907
Depreciation and amortization.....	74,386	(46,002)	(11,463)	16,921	30,500	7,534	6,111	61,066
	215,814	(128,564)	(11,198)	76,052	41,900	13,701	6,111	137,764
Operating income (loss).....	(5,773)	(26,719)	11,198	(21,294)	(8,060)	(11,836)	7,929	(33,261)
Other income (expense):								
Interest and other income (expense).....	4,945	(3,844)	--	1,101	--	--	--	1,101
Interest expense and amortization of deferred financing costs.....	(71,348)	20,740	--	(50,608)	--	--	--	(50,608)
Income (loss) before income taxes and minority interests....	(72,176)	(9,823)	11,198	(70,801)	(8,060)	(11,836)	7,929	(82,768)
Provision for income taxes.....	(374)	--	--	(374)	--	--	--	(374)
Minority interests.....	(2,848)	1,654	1,194	--	--	--	--	--
Net income (loss).....	(75,398)	(8,169)	12,392	(71,175)	(8,060)	(11,836)	7,929	(83,142)
Dividends on preferred stock.....	(26,745)	--	--	(26,745)	--	--	--	(26,745)
Net income (loss) after deduction of dividends on preferred stock....	\$(102,143)	\$ (8,169)	\$12,392	\$(97,920)	\$(8,060)	\$(11,836)	\$ 7,929	\$(109,887)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

As of December 31, 1998
(Dollars in thousands)

	Historical CCIC	Adjustments for Offerings	Pro Forma for Offerings	Historical Proposed BAM JV(e)	Adjustments for Proposed BAM JV	Pro Forma for Offerings and Proposed BAM JV	Adjustments for Proposed BellSouth Transaction	Historical Powertel(o)
Assets:								
Current assets:								
Cash and cash equivalents.....	\$ 296,450	\$666,125(a)	\$ 962,575	\$ --	\$(208,375)(f)	\$ 754,200	\$(430,000)(l)	\$ --
Receivables.....	36,420	--	36,420	--	--	36,420	--	--
Inventories.....	6,599	--	6,599	--	--	6,599	--	--
Prepaid expenses and other current assets..	2,647	--	2,647	--	--	2,647	--	2,031
Total current assets.....	342,116	666,125	1,008,241	--	(208,375)	799,866	(430,000)	2,031
Property and equipment, net..	592,594	--	592,594	83,557	508,923 (g)	1,185,074	610,000 (m)	121,490
Investments in affiliates.....	2,258	--	2,258	--	--	2,258	--	--
Goodwill and other intangible assets, net.....	569,740	--	569,740	--	--	569,740	--	--
Deferred financing costs and other assets, net.....	16,522	10,875(b)	27,397	--	4,625 (h)	32,022	--	--
	<u>\$1,523,230</u>	<u>\$677,000</u>	<u>\$2,200,230</u>	<u>\$83,557</u>	<u>\$305,173</u>	<u>\$2,588,960</u>	<u>\$180,000</u>	<u>\$123,521</u>
Liabilities and Stockholders' Equity:								
Current liabilities:								
Accounts payable.....	\$ 46,020	\$ --	\$ 46,020	\$ --	\$ --	\$46,020	\$ --	\$ --
Other current liabilities.....	46,867	--	46,867	--	--	46,867	--	309
Long-term debt, current maturities.....	--	--	--	--	--	--	--	--
Total current liabilities....	92,887	--	92,887	--	--	92,887	--	309
Long-term debt, less current maturities.....	429,710	300,000(c)	729,710	--	180,000 (i)	909,710	--	--
Other liabilities.....	22,823	--	22,823	--	--	22,823	--	--
Total liabilities....	545,420	300,000	845,420	--	180,000	1,025,420	--	309
Minority interests.....	39,185	--	39,185	--	11,730 (j)	50,915	--	--
Redeemable preferred stock.....	201,063	--	201,063	--	--	201,063	--	--
Stockholders' equity.....	737,562	377,000(d)	1,114,562	83,557	113,443 (k)	1,311,562	180,000 (n)	123,212
	<u>\$1,523,230</u>	<u>\$677,000</u>	<u>\$2,200,230</u>	<u>\$83,557</u>	<u>\$305,173</u>	<u>\$2,588,960</u>	<u>\$ 180,000</u>	<u>\$123,521</u>
Adjustments for Proposed Powertel Acquisition								
Pro Forma for the Transactions								
Assets:								
Current assets:								
Cash and cash equivalents.....	\$(274,617)(p)	\$ 49,583						
Receivables.....	--	36,420						
Inventories.....	--	6,599						
Prepaid expenses and other current assets..	--	4,678						

Total current assets.....	(274,617)	97,280
Property and equipment, net..	151,405 (q)	2,067,969
Investments in affiliates.....	--	2,258
Goodwill and other intangible assets, net.....	--	569,740
Deferred financing costs and other assets, net.....	--	32,022
	<u>\$(123,212)</u>	<u>\$2,769,269</u>
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable.....	\$ --	\$ 46,020
Other current liabilities.....	--	47,176
Long-term debt, current maturities.....	--	--
Total current liabilities....	--	93,196
Long-term debt, less current maturities.....	--	909,710
Other liabilities.....	--	22,823
Total liabilities....	--	<u>1,025,729</u>
Minority interests.....	--	50,915
Redeemable preferred stock.....	--	201,063
Stockholders' equity.....	(123,212)(r)	1,491,562
	<u>\$(123,212)</u>	<u>\$2,769,269</u>

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 following adjustments to cash and cash equivalents:	
(1) Increase resulting from the receipt of proceeds from the offerings.....	\$ 700,000
(2) Decrease resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the offerings.....	(30,875)
(3) Decrease resulting from the payment of nonrecurring financing fees related to the Term Loans.....	(3,000)

Total adjustments to cash and cash equivalents.....	\$ 666,125
	=====
(b) Reflects deferred financing costs resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the debt offering.	
(c) Reflects the increase resulting from the receipt of proceeds from the debt offering.	
(d) Reflects the following adjustments to stockholders' equity:	
(1) Increase resulting from the receipt of proceeds from the equity offering.....	\$ 400,000
(2) Decrease resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the equity offering.....	(20,000)
(3) Decrease resulting from payment of nonrecurring financing fees related to the Term Loans.....	(3,000)

Total adjustments to stockholders' equity.....	\$ 377,000
	=====
(e) Reflects the historical amounts from the statement of net assets for the tower operations to be contributed to the Proposed BAM JV.	
(f) Reflects the following adjustments to cash and cash equivalents:	
(1) Increase resulting from borrowings under a credit facility to be entered into by the Proposed BAM JV.....	\$ 180,000
(2) Decrease resulting from distribution to minority partner.....	(380,000)
(3) Decrease resulting from payment of deferred financing costs for a credit facility to be entered into by the Proposed BAM JV.....	(4,625)
(4) Decrease resulting from payment of fees and expenses related to the Proposed BAM JV.....	(3,750)

Total adjustments to cash and cash equivalents.....	\$(208,375)
	=====
(g) Reflects the increase in basis of property and equipment contributed to the Proposed BAM JV by the minority partner.	
(h) Reflects the deferred financing costs for the credit facility to be entered into by the Proposed BAM JV.	
(i) Reflects the borrowings under a credit facility to be entered into by the Proposed BAM JV.	
(j) Reflects the 37.7% minority interest in the Proposed BAM JV.	
(k) Reflects the following adjustments to stockholders' equity:	
(1) Increase resulting from increase in basis of property and equipment contributed to the Proposed BAM JV by the minority partner.....	\$ 508,923
(2) Decrease resulting from distribution to minority partner.....	(380,000)
(3) Decrease resulting from minority interest.....	(11,730)
(4) Decrease resulting from payment of fees and expenses related to the Proposed BAM JV.....	(3,750)

Total adjustments to stockholders' equity.....	\$ 113,443
	=====
(l) Reflects the payment of the cash portion of the purchase price for the Proposed BellSouth Transaction.	
(m) Reflects the basis of property and equipment recorded in connection with the Proposed BellSouth Transaction.	
(n) Reflects the increase resulting from the issuance of common stock for a portion of the purchase price for the Proposed BellSouth Transaction.	
(o) Reflects the historical amounts from the statement of net assets for the tower operations to be acquired in the Proposed Powertel Acquisition.	
(p) Reflects the payment of the closing price for the Proposed Powertel Acquisition.	
(q) Reflects the increase in basis of property and equipment acquired in the Proposed Powertel Acquisition.	
(r) Reflects the elimination of the historical basis of the net assets acquired in the Proposed Powertel Acquisition.	

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

Adjustment Reference

	(a)(1), (c), (d)(1)	(a)(2), (b), (d)(2)	(a)(3), (d)(3)	Totals
Cash and cash equivalents.....	\$ 700,000	\$(30,875)	\$(3,000)	\$ 666,125
Deferred financing cost and other assets, net..	--	10,875	--	10,875
Long-term debt, less current maturities.....	(300,000)	--	--	(300,000)
Stockholders' equity....	(400,000)	20,000	3,000	(377,000)
	-----	-----	-----	-----
	\$ --	\$ --	\$ --	\$ --
	=====	=====	=====	=====

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

	Adjustment Reference					Totals
	(f)(1),(i)	(f)(2),(k)(2)	(f)(3),(h)	(f)(4),(k)(4)	(g),(j),(k)(1),(k)(3)	
Cash and cash equivalents.....	\$ 180,000	\$(380,000)	\$(4,625)	\$(3,750)	\$ --	\$(208,375)
Property and equipment, net.....	--	--	--	--	508,923	508,923
Deferred financing costs and other assets, net..	--	--	4,625	--	--	4,625
Long-term debt, less current maturities.....	(180,000)	--	--	--	--	(180,000)
Minority interests.....	--	--	--	--	(11,730)	(11,730)
Stockholders' equity....	--	380,000	--	3,750	(497,193)	(113,443)
	-----	-----	-----	-----	-----	-----
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
	=====	=====	=====	=====	=====	=====

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

	Adjustment Reference	
	(1),(m),(n)	
Cash and cash equivalents.....	\$(430,000)	
Property and equipment, net.....	610,000	
Stockholders' equity.....	(180,000)	

	\$ --	
	=====	

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

	Adjustment Reference	
	(p),(q),(r)	
Cash and cash equivalents.....	\$(274,617)	
Property and equipment, net.....	151,405	
Stockholders' equity.....	123,212	

	\$ --	
	=====	

[D] The following table summarizes the unaudited pro forma balance sheet for the Restricted Group. Such information is not intended as an alternative measure of financial position as determined in accordance with generally accepted accounting principles.

As of December 31, 1998									
<hr/>									
					Restricted Group Pro Forma for Offerings and Proposed BAM JV	Adjustments for Proposed BellSouth Transaction	Historical Powertel	Adjustments for Proposed Powertel Acquisition	Restricted Group Pro Forma for the Transactions
	Pro Forma for Offerings	Exclusion of Unrestricted Subsidiaries	Restricted Group Pro Forma for Offerings	Adjustments for Proposed BAM JV	Proposed BAM JV				
<hr/>									
Assets:									
Current assets:									
Cash and cash equivalents.....	\$ 962,575	\$(254,665)	\$ 707,910	\$ --	\$ 707,910	\$(430,000)	\$ --	\$(274,617)	\$ 3,293
Receivables.....	36,420	(18,733)	17,687	--	17,687	--	--	--	17,687
Inventories.....	6,599	(5,309)	1,290	--	1,290	--	--	--	1,290
Prepaid expenses and other current assets...	2,647	(2,039)	608	--	608	--	2,031	--	2,639

Total current assets.....	1,008,241	(280,746)	727,495	--	727,495	(430,000)	2,031	(274,617)	24,909
Property and equipment, net....	592,594	(427,389)	165,205	--	165,205	610,000	121,490	151,405	1,048,100
Investments in affiliates.....	2,258	--	2,258	--	2,258	--	--	--	2,258
Investments in Unrestricted Subsidiaries.....	--	744,941	744,941	197,000	941,941	--	--	--	941,941
Goodwill and other intangible assets, net.....	569,740	(426,011)	143,729	--	143,729	--	--	--	143,729
Deferred financing costs and other assets, net.....	27,397	(3,340)	24,057	--	24,057	--	--	--	24,057
	<u>\$2,200,230</u>	<u>\$(392,545)</u>	<u>\$1,807,685</u>	<u>\$197,000</u>	<u>\$2,004,685</u>	<u>\$ 180,000</u>	<u>\$123,521</u>	<u>\$(123,212)</u>	<u>\$2,184,994</u>
Liabilities and Stockholders' Equity:									
Current liabilities:									
Accounts payable.....	\$ 46,020	\$ (34,648)	\$11,372	\$ --	\$11,372	\$ --	\$ --	\$ --	\$ 11,372
Other current liabilities.....	46,867	(40,586)	6,281	--	6,281	--	309	--	6,590
Long-term debt, current maturities.....	--	--	--	--	--	--	--	--	--
Total current liabilities....	92,887	(75,234)	17,653	--	17,653	--	309	--	17,962
Long-term debt, less current maturities.....	729,710	(256,111)	473,599	--	473,599	--	--	--	473,599
Other liabilities..	22,823	(22,015)	808	--	808	--	--	--	808
Total liabilities.....	845,420	(353,360)	492,060	--	492,060	--	309	--	492,369
Minority interests.....	39,185	(39,185)	--	--	--	--	--	--	--
Redeemable preferred stock...	201,063	--	201,063	--	201,063	--	--	--	201,063
Stockholders' equity.....	1,114,562	--	1,114,562	197,000	1,311,562	180,000	123,212	(123,212)	1,491,562
	<u>\$2,200,230</u>	<u>\$(392,545)</u>	<u>\$1,807,685</u>	<u>\$197,000</u>	<u>\$2,004,685</u>	<u>\$ 180,000</u>	<u>\$123,521</u>	<u>\$(123,212)</u>	<u>\$2,184,994</u>

SELECTED FINANCIAL AND OTHER DATA OF CCIC

The selected historical consolidated financial and other data for CCIC set forth below for each of the four years in the period ended December 31, 1998, and as of December 31, 1995, 1996, 1997 and 1998, have been derived from the consolidated financial statements of CCIC, which have been audited by KPMG LLP, independent certified public accountants. The results of operations for the year ended December 31, 1998 are not comparable to the year ended December 31, 1997, and the results for the year ended December 31, 1997 are not comparable to the year ended December 31, 1996 as a result of business acquisitions consummated in 1997 and 1998. Results of operations of these acquired businesses are included in the Company's consolidated financial statements for the periods subsequent to the respective dates of acquisition. [[D] The selected historical financial and other data for the Restricted Group (as defined) are not intended as alternative measures of operating results or cash flows from operations (as determined in accordance with generally accepted accounting principles).] 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 document.

	Years Ended December 31,			
	1995	1996	1997	1998
	(Dollars in thousands)			
Statement of Operations Data:				
Net revenues:				
Site rental and broadcast transmission.....	\$ 4,052	\$ 5,615	\$ 11,010	\$ 75,028
Network services and other.....	6	592	20,395	38,050
Total net revenues.....	4,058	6,207	31,405	113,078
Costs of operations:				
Site rental and broadcast transmission.....	1,226	1,292	2,213	26,254
Network services and other.....	--	8	13,137	21,564
Total costs of operations.....	1,226	1,300	15,350	47,818
General and administrative.....	729	1,678	6,824	23,571
Corporate development(a).....	204	1,324	5,731	4,625
Non-cash compensation charges(b)...	--	--	--	12,758
Depreciation and amortization.....	836	1,242	6,952	37,239
Operating income (loss).....	1,063	663	(3,452)	(12,933)
Equity in earnings (losses) of unconsolidated affiliate.....	--	--	(1,138)	2,055
Interest and other income (expense)(c).....	53	193	1,951	4,220
Interest expense and amortization of deferred financing costs.....	(1,137)	(1,803)	(9,254)	(29,089)
Loss before income taxes and minority interests.....	(21)	(947)	(11,893)	(35,747)
Provision for income taxes.....	--	(10)	(49)	(374)
Minority interests.....	--	--	--	(1,654)
Net loss.....	(21)	(957)	(11,942)	(37,775)
Dividends on preferred stock.....	--	--	(2,199)	(5,411)
Net loss after deduction of dividends on preferred stock.....	\$ (21)	\$ (957)	\$ (14,141)	\$ (43,186)
Loss per common share--basic and diluted.....	\$ (0.01)	\$ (0.27)	\$ (2.27)	\$ (1.02)
Common shares outstanding--basic and diluted (in thousands).....	3,316	3,503	6,238	42,518
Other Data:				
Site data (at period end)(d):				
Towers owned.....	126	155	240	1,344
Towers managed.....	7	7	133	129
Rooftop sites managed (revenue producing)(e).....	41	52	80	135
Total sites owned and managed.....	174	214	453	1,608
EBITDA(f).....	\$ 1,899	\$ 1,905	\$ 3,500	\$ 37,064
[D] Restricted Group EBITDA.....	1,899	1,905	3,500	5,799
Capital expenditures.....	161	890	18,035	138,759
Summary cash flow information:				
Net cash provided by (used for) operating activities.....	1,672	(530)	(624)	44,976
Net cash used for investing activities.....	(16,673)	(13,916)	(111,484)	(149,248)
Net cash provided by financing				

activities.....	15,597	21,193	159,843	345,248
Ratio of earnings to fixed charges(g).....	--	--	--	--
Balance Sheet Data (at period end):				
Cash and cash equivalents.....	\$ 596	\$ 7,343	\$ 55,078	\$ 296,450
Property and equipment, net.....	16,003	26,753	81,968	592,594
Total assets.....	19,875	41,226	371,391	1,523,230
Total debt.....	11,182	22,052	156,293	429,710
Redeemable preferred stock(h).....	5,175	15,550	160,749	201,063
Total stockholders' equity (deficit).....	619	(210)	41,792	737,562

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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, such expenses include (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".
- (b) Represents charges related to the issuance of stock options to certain employees and executives.
- (c) 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.
- (d) Represents the aggregate number of sites of CCIC as of the end of each period.
- (e) As of December 31, 1998, CCIC had contracts with 1,365 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 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 December 31, 1998, CCIC had 1,284 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.
- (f) EBITDA is defined as operating income (loss) plus depreciation and amortization and non-cash compensation charges. 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.
- (g) 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, 1997 and 1998, earnings were insufficient to cover fixed charges by \$21,000, \$0.9 million, \$10.8 million and \$37.8 million, respectively.
- (h) The 1995, 1996 and 1997 amounts represent (1) 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 (2) 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 has been converted into shares of common stock in connection with the consummation of the IPO. The 1998 amount represents the 12 3/4% Senior Exchangeable Preferred Stock due 2010.

The selected quarterly historical consolidated financial data for CCIC set forth below have been derived from the consolidated financial statements of CCIC.

	Three Months Ended			
	March 31	June 30	September 30	December 31
(In thousands of dollars, except per share amounts)				
1997:				
Net revenues.....	\$ 1,994	\$ 4,771	\$ 11,481	\$ 13,159
Gross profit(1).....	1,731	2,258	5,648	6,418
Net loss.....	(443)	(1,706)	(4,001)	(5,792)
Loss per common share-- basic and diluted.....	(0.13)	(0.51)	(0.62)	(0.69)
1998:				
Net revenues.....	\$ 11,837	\$ 11,530	\$ 28,894	\$ 60,817
Gross profit(1).....	6,244	7,550	15,835	35,631
Net loss.....	(6,606)	(6,426)	(17,444)	(7,299)
Loss per common share-- basic and diluted.....	(0.79)	(0.78)	(0.33)	(0.09)

(1) Represents net revenues less costs of operations.

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 and for the nine months ended December 31, 1997, and (iii) selected historical consolidated financial data of CTI for the eight months ended August 31, 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 eight months ended August 31, 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 nine months ended December 31, 1997 and the eight months ended August 31, 1998 are not necessarily indicative of the results of operations of CTI that may be expected for the entire year. CCIC acquired a majority ownership interest in CTI upon consummation of the Roll-Up in August 1998 and, as a result, historical financial data of CTI for the year ended December 31, 1998 is not presented. 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--As a Holding Company, We Depend on Dividends from Subsidiaries 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 document.

	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	Nine Months Ended December 31, 1997	Eight Months Ended August 31, 1998
	(Pounds sterling in thousands)					
Statement of Operations Data:						
Net revenues.....	(Pounds)70,367	(Pounds)70,614	(Pounds)12,805	(Pounds)6,433	(Pounds)56,752	(Pounds)59,033
Operating expenses(b).....	62,582	56,612	10,108	5,188	47,976	47,821
Operating income.....	7,785	14,002	2,697	1,245	8,776	11,212
Interest and other income....	--	--	--	49	288	440
Interest expense and amortization of deferred financing costs.....	--	--	--	(969)	(12,419)	(9,507)
Income (loss) before income taxes.....	7,785	14,002	2,697	325	(3,355)	2,145
Provision for income taxes....	--	--	--	--	--	--
Net income (loss) under U.K. GAAP.....	7,785	14,002	2,697	325	(3,355)	2,145
Adjustments to convert to U.S. GAAP.....	3,707	3,993	726	78	866	1,493
Net income (loss) under U.S. GAAP.....	(Pounds)11,492	(Pounds)17,995	(Pounds)3,423	(Pounds)403	(Pounds)(2,489)	(Pounds)3,638
Other Data:						
Site data(c):						
Towers and revenue producing rooftop sites at end of						

period.....						
EBITDA (under U.S. GAAP)(d)...	(Pounds)20,620	(Pounds)27,040	(Pounds)5,161	(Pounds)3,064	(Pounds)25,695	(Pounds)29,244
Capital expenditures (under U.S. GAAP).....	18,079	21,810	711	748	14,361	36,304
Ratio of earnings to fixed charges(e).....						
Ratio of EBITDA to cash interest expense.....						
Summary cash flow information (under U.S. GAAP):						
Net cash provided by operating activities.....	24,311	28,146	5,161	4,871	25,555	27,226
Net cash used for investing activities.....	(17,190)	(21,811)	(711)	(52,889)	(14,668)	(36,135)
Net cash provided by (used for) financing activities.....	(7,121)	(6,335)	(4,450)	57,706	(12,423)	9,955

CTI		
One Month Ended March 31, 1997(a)	Nine Months Ended December 31, 1997(a)	Eight Months Ended August 31, 1998(a)
(Dollars in thousands)		

Statement of Operations Data:			
Net revenues.....	\$10,697	\$94,365	\$98,160
Operating expenses(b).....	8,627	79,774	79,517
Operating income.....	2,070	14,591	18,643
Interest and other income....	81	479	731
Interest expense and amortization of deferred financing costs.....	(1,611)	(20,650)	(15,808)
Income (loss) before income taxes.....	540	(5,580)	3,566
Provision for income taxes....	--	--	--
Net income (loss) under U.K. GAAP.....	540	(5,580)	3,566
Adjustments to convert to U.S. GAAP.....	130	1,440	2,483
Net income (loss) under U.S. GAAP.....	\$ 670	\$(4,140)	\$ 6,049
	=====	=====	=====

Other Data:			
Site data(c):			
Towers and revenue producing rooftop sites at end of period.....		801	808
		=====	=====

EBITDA (under U.S. GAAP)(d)...	\$ 5,095	\$42,726	\$48,627
Capital expenditures (under U.S. GAAP).....	1,244	23,879	60,366
Ratio of earnings to fixed charges(e).....	1.44x	--	1.44x
Ratio of EBITDA to cash interest expense.....	3.58x	2.71x	3.76x
Summary cash flow information (under U.S.			

GAAP):			
Net cash provided by operating activities.....	8,099	42,493	45,271
Net cash used for investing activities.....	(87,944)	(24,390)	(60,085)
Net cash provided by (used for) financing activities.....	95,954	(20,657)	16,553

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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 December 31, 1998 of (Pounds)1.00=1.6628. 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 February 26, 1999, the Noon Buying Rate was (Pounds)1.00 = \$1.6027.
 - (b) Included in operating expenses for the eight months ended August 31, 1998 are non-cash compensation charges for (Pounds)2.3 million (\$3.9 million) related to the issuance of stock options to certain executives and employees.
 - (c) As of August 31, 1998, CTI's 54 revenue producing rooftop sites were occupied by its transmitters but were not available for leasing to customers.
 - (d) EBITDA is defined as operating income (loss) plus depreciation and amortization and non-cash compensation charges. 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.
 - (e) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes and fixed charges. Fixed charges consist of interest expense, the interest component of operating leases and amortization of deferred financing costs. For the nine months ended December 31, 1997, earnings were insufficient to cover fixed charges by (Pounds)2.5 million (\$4.1 million).

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 (1) CCIC's consolidated financial condition as of December 31, 1998 and its consolidated results of operations for each year in the three-year period ended December 31, 1998 and (2) CTI's consolidated results of operations 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 decisions on capital expenditures to be made in the future by wireless 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 CTI" and the consolidated financial statements and the notes thereto included elsewhere in this document. Results of operations of the acquired businesses that are wholly and majority 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 year ended December 31, 1998 are not comparable to the year ended December 31, 1997, and the results for the year ended December 31, 1997 are not comparable to the year ended December 31, 1996.

Overview

The continued growth of the Company's business depends 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 carriers will continue to seek operating and capital efficiencies by (1) outsourcing certain network services and the build-out and operation of new and existing infrastructure and (2) co-locating antennas and transmission equipment on multiple tenant towers. In addition, wireless carriers are beginning 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 carriers and broadcasters will continue to seek to outsource the operation of their towers and, eventually, their 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 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 roll-out 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, zoning restrictions on tall towers and the cost of building towers.

As an important part of its business strategy, the Company will seek (1) 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, (2) to leverage its in-house technical and operational expertise, (3) to expand its tower footprints by partnering with wireless carriers to assume ownership of their existing towers and by pursuing build-to-suit opportunities and (4) to acquire existing transmission networks globally as opportunities arise.

Results of Operations

The Company's primary sources of revenues are from (1) the rental of antenna space on towers and rooftops sites, (2) the provision of network services and (3) the provision of analog and digital broadcast transmission services.

CCIC

CCIC's primary sources of revenues are from (1) the rental of antenna space on towers and rooftop sites and (2) 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 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 (1) network design and site selection, (2) site acquisition, (3) site development and construction, (4) antenna installation and (5) 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 May Reduce the Predictability of Our Results". 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.

Costs of operations for site rental primarily consist of land leases, repairs and maintenance, utilities, insurance, property taxes and monitoring costs as well as, 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 (1) to support its internal operations, including construction and maintenance of its owned towers, and (2) 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 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.

In May 1997, the Company consummated the TEA acquisition and the TeleStructures acquisition. In August 1997, the Company consummated the acquisition of Crown Communication. In August 1998, the Company consummated a share exchange with the shareholders of CTSH, pursuant to which the Company's ownership of CTSH increased from approximately 34.3% to 80%. In October 1998, CTI consummated the Millennium acquisition. Results of operations of these acquired businesses are included in the Company's consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, the Company's results of operations for the year ended December 31, 1998 are not comparable to the year ended December 31, 1997, and the results for the year ended December 31, 1997 are not comparable to the year ended December 31, 1996. See "--CTI" for a description of the revenues and operating expenses that are included in CCIC's consolidated results of operations subsequent to the consummation of the share exchange in August 1998.

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

	Year Ended December 31, 1996		Year Ended December 31, 1997		Year Ended December 31, 1998	
	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.....	\$ 5,615	90.5%	\$ 11,010	35.1%	\$ 75,028	66.4%
Network services and other.....	592	9.5	20,395	64.9	38,050	33.6
Total net revenues...	6,207	100.0	31,405	100.0	113,078	100.0
Operating expenses:						
Costs of operations:						
Site rental and broadcast transmission.....	1,292	23.0	2,213	20.1	26,254	35.0
Network services and other.....	8	1.4	13,137	64.4	21,564	56.7
Total costs of operations.....	1,300	21.0	15,350	48.9	47,818	42.3
General and administrative.....	1,678	27.0	6,824	21.7	23,571	20.8
Corporate development..	1,324	21.3	5,731	18.3	4,625	4.1
Non-cash compensation charges.....	--	--	--	--	12,758	11.3
Depreciation and amortization.....	1,242	20.0	6,952	22.1	37,239	32.9
Operating income (loss).....	663	10.7	(3,452)	(11.0)	(12,933)	(11.4)
Other income (expense):						
Equity in earnings (losses) of unconsolidated affiliate.....	--	--	(1,138)	(3.6)	2,055	1.8
Interest and other income (expense).....	193	3.1	1,951	6.2	4,220	3.7
Interest expense and amortization of deferred financing costs.....	(1,803)	(29.0)	(9,254)	(29.5)	(29,089)	(25.7)
Loss before income taxes and minority interests.....	(947)	(15.2)	(11,893)	(37.9)	(35,747)	(31.6)
Provision for income taxes.....	(10)	(0.2)	(49)	(0.1)	(374)	(0.3)
Minority interests.....	--	--	--	--	(1,654)	(1.5)
Net loss.....	\$ (957)	(15.4)%	\$ (11,942)	(38.0)%	\$ (37,775)	(33.4)%

Comparison of Years Ended December 31, 1998 and 1997

Consolidated revenues for 1998 were \$113.1 million, an increase of \$81.7 million from 1997. This increase was primarily attributable to (i) a \$64.0 million, or 581.5%, increase in site rental and broadcast transmission revenues, of which \$52.5 million was attributable to CTI and \$11.5 million was attributable to the Crown operations; (ii) an \$11.4 million increase in network services revenues from the Crown operations; and (iii) \$5.6 million in network services revenues from CTI.

Costs of operations for 1998 were \$47.8 million, an increase of \$32.5 million from 1997. This increase was primarily attributable to (i) a \$24.0 million increase in site rental and broadcast transmission costs, of which \$20.1 million was attributable to CTI and \$3.9 million was attributable to the Crown operations; (ii) a \$3.8 million increase in network services costs related to the Crown operations; and (iii) \$4.2 million in network services costs from CTI. Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues increased to 35.0% for 1998 from 20.1% for 1997, primarily due to (1) higher costs attributable to the CTI operations which are inherent with CTI's broadcast transmission business, and (2) higher costs for the Crown operations. Costs of operations for network services as a percentage of network services revenues decreased to 56.7% for 1998 from 64.4% for 1997, primarily due to improved margins from the Crown operations. Margins from the Crown network services operations vary from period to period, often as a result of increasingly competitive market conditions.

General and administrative expenses for 1998 were \$23.6 million, an increase of \$16.7 million from 1997. This increase was primarily attributable to (i) an \$11.3 million increase in expenses

related to the Crown operations; (ii) a \$2.8 million increase in expenses at our corporate office; and (iii) \$2.4 million in expenses at CTI. General and administrative expenses as a percentage of revenues decreased for 1998 to 20.8% from 21.7% for 1997 because of lower overhead costs as a percentage of revenues for CTI, partially offset by higher overhead costs as a percentage of revenues for Crown and the increase in costs at our corporate office.

Corporate development expenses for 1998 were \$4.6 million, a decrease of \$1.1 million from 1997. Corporate development expenses for 1997 included nonrecurring compensation charges associated with the CTI Investment of (i) \$0.9 million for certain executive bonuses and (ii) the repurchase of shares of our common stock from a member of our Board of Directors, which resulted in compensation charges of \$1.3 million. Corporate development expenses for 1998 included discretionary bonuses related to the Company's performance totaling approximately \$1.8 million for certain members of our management.

We have recorded non-cash compensation charges of \$12.8 million related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to approximately \$1.6 million per year through 2002 and approximately \$0.8 million in 2003. See "--Compensation Charges Related to Stock Option Grants".

Depreciation and amortization for 1998 was \$37.2 million, an increase of \$30.3 million from 1997. This increase was primarily attributable to (1) a \$9.5 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown acquisition; and (2) \$20.3 million of depreciation and amortization related to the property and equipment and goodwill from CTI.

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

Interest and other income for 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 1998 resulted primarily from (1) the investment of excess proceeds from the sale of the 10 5/8% discount notes in November 1997; and (2) the investment of the net proceeds from the IPO in August 1998. See "--Liquidity and Capital Resources".

Interest expense and amortization of deferred financing costs for 1998 was \$29.1 million, an increase of \$19.8 million, or 214.3%, from 1997. This increase was primarily attributable to amortization of the original issue discount on the 10 5/8% Notes and interest on CTI's indebtedness.

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

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 (1) 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; (2) \$10.4 million in network services revenues from TEA; and (3) \$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 (1) \$8.5 million of network services costs related to the TEA operations; (2) \$3.9 million of network services costs related to the Crown operations; and (3) \$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 (1) \$0.9 million for certain executive bonuses and (2) 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 (1) \$4.7 million of depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown acquisition; (2) \$0.5 million of depreciation and amortization related to the property and equipment and goodwill acquired in the TEA and TeleStructures acquisitions; and (3) \$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 (1) commitment fees related to an unfunded interim loan facility related to the Crown acquisition and an unfunded revolving credit facility; (2) interest on notes payable to the former stockholders of Crown for a portion of the purchase price of the Crown Communication Inc.; (3) amortization of the original issue discount on the 10 5/8% discount notes; (4) interest and fees associated with borrowings under

CCIC's bank credit facility which were used to finance the Crown acquisition on an interim basis; (5) interest on outstanding borrowings assumed in connection with the Crown acquisition; and (6) interest on borrowings under CCIC's bank credit facility which were used to finance the acquisition of the Puerto Rico system.

CTI

CTI's primary sources of revenues are from (1) the provision of analog and digital broadcast transmission services to the BBC and commercial broadcasters, (2) the rental of antenna space on towers and (3) 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 are principally received from the BBC under a contract with an initial 10-year term through March 31, 2007. Digital transmission services revenues from the BBC and ONdigital are recognized under contracts with initial terms of 12 years through November 15, 2010. Monthly revenues from these digital transmission contracts increase over time as the network rollout progresses. 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). As of December 31, 1998, approximately 200 companies rented space on approximately 514 of CTI's 919 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. 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 (1) network design and site selection, site acquisition, site development and antenna installation (collectively, "network design and development") and (2) site management and other services. Network design and development services are provided to (1) a number of broadcasting and related organizations, both in the United Kingdom and other countries; (2) all four U.K. cellular operators; and (3) 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. 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 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 following amounts reflect certain adjustments to present the results of operations in accordance with U.S. generally accepted accounting principles ("GAAP"). For the results of the BBC Home Service Transmission Business, such adjustments affect depreciation and amortization expense as a result of differences in the carrying amounts for property and equipment; for CTI, such adjustments affect (1) operating expenses as a result of differences in the accounting for pension costs, and (2) 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	
	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%
Network services and other..	10,090	8.3	13,731	10.8
Total net revenues.....	122,212	100.0	127,289	100.0
Operating expenses:				
Costs of operations:				
Site rental and broadcast transmission.....	61,339	54.7	53,957	47.5
Network services and oth- er.....	5,912	58.6	6,075	44.2
Total cost of operations..	67,251	55.0	60,032	47.1
General and administrative..	7,196	5.9	8,626	6.8
Corporate development.....	--	--	2,303	1.8
Depreciation and amortization.....	17,256	14.1	37,382	29.4
Operating income.....	30,509	25.0	18,946	14.9
Other income (expense):				
Interest and other income...	79	0.1	746	0.6
Interest expense and amortization of deferred financing costs.....	(1,434)	(1.2)	(24,201)	(19.0)
Income (loss) before income taxes.....	29,154	23.9	(4,509)	(3.5)
Provision for income taxes..	--	--	--	--
Net income (loss).....	\$ 29,154	23.9%	\$ (4,509)	(3.5)%

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 (1) a \$1.4 million increase in broadcast transmission services and site rental revenues and (2) 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 (1) increases in site rental revenues from existing sites with little change in site operating costs; and (2) 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 (1) a higher proportion of broadcast consulting revenues, which result in higher margins than certain other network design and development services and (2) 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 (1) \$4.9 million related to amounts drawn under the CTI Credit Facility; (2) \$15.6 million related to the CTI Bonds; and (3) \$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

Our business strategy contemplates substantial capital expenditures (1) in connection with the expansion of our tower footprints by partnering with wireless carriers to assume ownership or control of their existing towers by pursuing build-to-suit opportunities and by pursuing other tower acquisition opportunities and (2) to acquire existing transmission networks globally as opportunities arise. Since its inception, CCIC has generally funded its activities (other than acquisitions and investments) through excess proceeds from contributions of equity capital. CCIC has financed acquisitions and investments with the proceeds from equity contributions, borrowings under our senior credit facilities,

issuances of debt securities and the issuance of promissory notes to sellers. Since its inception, CTI has generally funded its activities (other than the acquisition of the BBC Home Service Transmission Business) through cash provided by operations and borrowings under CTI's credit facility. CTI financed the acquisition of the BBC Home Service Transmission Business with the proceeds from equity contributions and the issuance of CTI's 9% bonds.

For the years ended December 31, 1996, 1997 and 1998, our net cash provided by (used for) operating activities was (\$0.5 million), (\$0.6 million) and \$45.0 million, respectively. For the years ended December 31, 1996, 1997 and 1998, our net cash provided by financing activities was \$21.2 million, \$159.8 million and \$345.2 million, respectively. Our primary financing-related activities in 1998 included the following:

Exchangeable Preferred Stock Offering. On December 16, 1998, we privately placed 200,000 shares of our 12 3/4% Senior Exchangeable Preferred Stock due 2010, with a liquidation preference of \$1,000 per share, resulting in net proceeds to us of approximately \$193.0 million. We used a portion of the net proceeds of the exchangeable preferred stock offering to repay our outstanding indebtedness under CCI's senior credit facility. We intend to use the remainder of the net proceeds of the exchangeable preferred stock offering to finance a portion of our investment in the Proposed BAM JV.

Initial Public Offering. On August 18, 1998, we consummated our IPO at a price to the public of \$13.00 per share. We sold 12,320,000 shares of our common stock and received proceeds of \$151.0 million (after underwriting discounts of \$9.1 million but before other expenses of the IPO, which totaled approximately \$4.1 million). We intend to use the net proceeds from the IPO to finance a portion of our investment in the Proposed BAM JV.

Capital expenditures were \$138.8 million for the twelve months ended December 31, 1998, of which \$3.7 million were for CCIC, \$84.9 million was for CCI and \$50.2 million were for CTI. We anticipate that we will build, through the end of 1999, approximately 750 towers in the United States at a cost of approximately \$175.0 million and approximately 200 towers in the United Kingdom at a cost of approximately \$23.0 million. We also expect that the capital expenditure requirements related to the roll-out of digital broadcast transmission in the United Kingdom will be approximately (Pounds)40.0 million (\$66.5 million).

In addition to capital expenditures in connection with build-to-suits, we expect to apply a significant amount of capital to finance the cash portion of the consideration being paid in connection with the Proposed Transactions.

In connection with the Proposed BAM JV, we will contribute, in addition to other consideration, \$250.0 million in cash to the joint venture. The joint venture expects to borrow \$180.0 million under a committed \$250.0 million revolving credit facility, following which the joint venture will make a \$380.0 million cash distribution to BAM. We have allocated the net proceeds of our IPO and a portion of the net proceeds of our 12 3/4% exchangeable preferred stock offering to finance our cash contribution to the joint venture.

In connection with the Proposed BellSouth Transaction, we will pay BellSouth, in addition to other consideration, \$430.0 million in cash. We have deposited \$50.0 million in an escrow account pending the first closing of the transaction, which we funded through a loan agreement we entered into on March 15, 1999. We expect to use a portion of the net proceeds of the offerings to finance this transaction.

In connection with the Proposed Powertel Acquisition, we will pay Powertel \$275.0 million in cash. We have deposited \$50.0 million, which we funded through the March 15, 1999 loan

agreement, in an escrow account to be applied to the purchase price at closing. We expect to use a portion of the net proceeds of the offerings to finance this transaction.

We expect that the consummation of the Proposed Transactions and the execution of our build-to-suit program will have a material impact on our liquidity. We expect that once integrated, these transactions will have a positive impact on liquidity, but will require some period of time to offset the initial adverse impact on liquidity. In addition, we believe that as new build to suit towers become operational and we begin to add tenants, they should result in a long-term increase in liquidity.

Our liquidity may also be materially impacted if we fail to consummate any or all of the Proposed Transactions. In the event we consummate the offerings and subsequently fail to consummate the Proposed BAM JV, the Proposed BellSouth Transaction or the Proposed Powertel Acquisition, the proceeds of the offerings or, in the case of the Proposed BAM JV, the proceeds of our prior 12 3/4% exchangeable preferred stock offering, would no longer be required to be allocated to finance such transaction and would be available to us as additional liquidity. If the Proposed Transaction giving rise to such additional liquidity were the Proposed BellSouth Transaction or the Proposed Powertel Acquisition, the increase in our liquidity could be somewhat offset by any portion of the escrow payments made in connection with such transactions that we may forfeit as a result of not closing such transactions. See "Risk Factors--The Proposed Transactions".

To fund the execution of the our business strategy, including the Proposed Transactions, we expect to use the net proceeds of the offerings, the borrowings available under CCI's senior credit facility, the borrowings available under CTI's credit facility and the remaining net proceeds from our IPO and our 12 3/4% exchangeable preferred stock offering. Following consummation of the offerings and assuming all the Proposed Transactions are consummated, we believe we will have sufficient liquidity to fund our operations and pursue our business strategy in the near term. Our business strategy, however, includes the pursuit of additional tower acquisition and build-out opportunities, and we may have additional cash needs as opportunities arise. Some of the opportunities that we are currently pursuing could require significant additional capital. In the event we do not otherwise have cash available, or borrowings under our credit facilities have otherwise been utilized, when an opportunity arises, we would be forced to seek additional debt or equity financing or to forego the opportunity. In the event we determine 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 our existing indebtedness. To the extent we are unable to finance future capital expenditures, we will be unable to achieve our currently contemplated business strategy.

As of December 31, 1998, after giving pro forma effect to the offerings, we would have had consolidated cash and cash equivalents of \$962.6 million (including \$6.5 million at CTI), consolidated long-term debt of \$729.7 million, consolidated redeemable preferred stock of \$201.1 million and consolidated stockholders' equity of \$1,114.6 million. As of December 31, 1998, after giving pro forma effect to the offerings and the Proposed Transactions, we would have had consolidated cash and cash equivalents of \$49.6 million (including \$6.5 million at CTI and \$45.9 million at the Proposed BAM JV), consolidated long-term debt of \$909.7 million, consolidated redeemable preferred stock of \$201.1 million and consolidated stockholders' equity of \$1,491.6 million.

As of March 1, 1999, CCI and its subsidiaries had unused borrowing availability under its senior credit facility of approximately \$54.0 million, and CTI had unused borrowing availability under its credit facility of approximately (Pounds)24.0 million (\$39.9 million). As of December 31, 1998, CCI and its subsidiaries and CTI and its subsidiaries had approximately \$77.6 million and (Pounds)30.8 million (\$51.2 million) of unused borrowing availability, respectively, under CCI's senior credit facility and CTI's credit facility. Upon its formation, the Proposed BAM JV will borrow \$180.0 million under a committed \$250.0 million credit facility. CCI's senior credit facility and CTI's credit facility require, and the

Proposed BAM JV credit facility will require, that the respective borrowers maintain certain financial covenants; in addition, all three credit facilities place restrictions on the ability of the borrower and its subsidiaries to, among other things, incur debt and liens, pay dividends, make capital expenditures, undertake transactions with affiliates and make investments. These facilities also limit the ability of the borrowing subsidiaries to pay dividends to CCIC.

Prior to May 15, 2003, the interest expense on our 10 5/8% discount notes will be comprised solely of the amortization of original issue discount. Thereafter, the 10 5/8% discount notes will require annual cash interest payments of approximately \$26.7 million. Prior to December 15, 2003, we do not expect to pay cash dividends on our exchangeable preferred stock or, if issued, cash interest on the exchange debentures. Thereafter, assuming all dividends or interest have been paid-in-kind, our exchangeable preferred stock or, if issued, the exchange debentures will require annual cash dividend or interest payments of approximately \$47.8 million. Annual cash interest payments on the CTI Bonds are (Pounds)11.25 million (\$18.7 million). In addition, CCI's senior credit facility and CTI's credit facility will require periodic interest payments on amounts borrowed thereunder. Our ability to make scheduled payments of principal of, or to pay interest on, our debt obligations, and our ability to refinance any such debt obligations (including our 10 5/8% discount notes and the CTI Bonds), will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We anticipate that we may need to refinance all or a portion of our indebtedness (including our 10 5/8% discount notes and the CTI Bonds) on or prior to its scheduled maturity. There can be no assurance that we will be able to effect any required refinancings of our indebtedness on commercially reasonable terms or at all. See "Risk Factors".

Compensation Charges Related to Stock Option Grants

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

Impact of Recently Issued Accounting Standards

In 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. We have 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. We 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 our financial statements for the three months ending March 31, 1999; it is currently estimated that such charge will amount to approximately \$2,300,000.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments will be recorded either in results of operations or in other comprehensive income, depending on the intended use of the derivative instrument. The initial application of SFAS 133 will be reported as the effect of a change in accounting principle. SFAS 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. We will adopt the requirements of SFAS 133 in our financial statements for the three months ending March 31, 2000. We have not yet determined the effect that the adoption of SFAS 133 will have on our consolidated financial statements.

Year 2000 Compliance

The year 2000 problem is the result of computer programs having been written using two digits (rather than four) to define the applicable year. Any of our computer programs that have date-sensitive software may recognize a date using "00" as 1900 rather than the year 2000, or may not recognize the date at all. This could result in a system failure or miscalculations causing disruption of operations including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

In 1997 we established a year 2000 project to ensure that the issue received appropriate priority and that necessary resources were made available. This project includes the replacement of our worldwide business computer systems with systems that use programs primarily from J.D. Edwards, Inc. The new systems are expected to make approximately 90% of our business computer systems year 2000 compliant and are in production today. Remaining business software programs, including those supplied by vendors, will be made year 2000 compliant through the year 2000 project or they will be retired. None of our other information technology projects has been delayed due to the implementation of the year 2000 project.

Our year 2000 project is divided into the following phases: (1) inventorying year 2000 items; (2) assigning priorities to identified items; (3) assessing the year 2000 compliance of items determined to be material to us; (4) repairing or replacing material items that are determined not to be year 2000 compliant; (5) testing material items; and (6) designing and implementing contingency and business continuation plans for each organization and company location. We have completed the inventory and priority assessment phases and are 90% complete with the assessing compliance phase. The remaining items include various third party assurances regarding the year 2000 status of their operations. We are now continuing with the testing phase of the year 2000 project. All critical broadcast equipment and non-information technology related equipment has been tested and is either year 2000 compliant, has been designated as year 2000 ready, or will be repaired or replaced by June 1999. A year 2000 ready designation implies the equipment or system will function without adverse effects beyond year 2000 but may not be aware of the century. All critical information technology systems have been designated year 2000 compliant or are scheduled to be retired or remediated by July 1999. The testing phase is ongoing as hardware or system software is

remediated, upgraded or replaced. Testing as well as remediation is scheduled for completion in July 1999. The final phase of our year 2000 project, contingency planning, will be completed and tested to the extent possible by September 1999.

We have expended \$6.9 million on the year 2000 project through December 31, 1998, of which approximately \$6.8 million related to the implementation of the J.D. Edwards Systems and related hardware. Funds for the year 2000 project are provided from a separate budget of \$0.6 million for all items.

The failure to correct a material year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect our results of operations, liquidity and financial condition. Due to the general uncertainty inherent in the year 2000 problem, resulting in part from the uncertainty of the year 2000 readiness of third-party suppliers and customers, we are unable to determine at this time whether the consequences of year 2000 failures will have a material impact on our results of operations, liquidity or financial condition. The year 2000 project is expected to significantly reduce our level of uncertainty about the year 2000 problem and, in particular, about the year 2000 compliance and readiness of our material business partners. We believe that, with the implementation of new business systems and completion of the project as scheduled, the possibility of significant interruptions of normal operations should be reduced.

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 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 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 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 broadcasting (known as "DTV" in the United States and "DTT" in the United Kingdom). 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. The Company successfully began commercial operation of the DTT network from an initial 22 transmission sites on November 15, 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 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 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 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 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 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 build out, 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 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 and SMR. 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 SMR, 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 SMR 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 June 1998, there were 57,674 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, SMR 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, as well as forthcoming auctions for PCS and local multi-point distribution services. 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 build out. 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: (1) greater number, choice and flexibility of broadcasting services offered; (2) scope for greater interactivity on the part of viewers and listeners; (3) greater capacity for pay-television (subscription and pay-per-view) as well as free-to-air services; and (4) 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 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 build out 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 were launched in 1998 from terrestrial transmitters (DTT) and satellite (DST). 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 awarded to ONdigital (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 ONdigital, 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 Local Radio licenses for additional digital radio multiplexes are expected to be issued by the end of 1999.

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 accommodate the growth in digital radio at minimum cost.

BUSINESS

We are a leading owner and operator of wireless communications and broadcast transmission infrastructure. After giving effect to the completion of the Proposed Transactions, as of December 31, 1998, we owned or managed 6,105 towers, including 4,419 towers in the United States and Puerto Rico and 1,686 towers in the United Kingdom. Our customers currently include many of the world's major wireless communications and broadcast companies, including BAM, BellSouth, AT&T Wireless, Nextel and the BBC.

Our strategy is to use our leading domestic and international position to capture the growing consolidation and build-out opportunities created by:

- . the outsourcing of towers by major wireless carriers;
- . the need for existing wireless carriers to expand coverage and improve capacity;
- . the additional demand for towers created by new entrants into the wireless communications industry;
- . the privatization of state-run broadcast transmission networks; and
- . the introduction of new digital broadcast transmission technology and wireless technologies.

Our two main businesses are leasing antenna space on wireless and broadcast multi-tenant towers and operating broadcast transmission networks. We also provide complementary services to our customers, including network design, radio frequency engineering, site acquisition, site development and construction, antenna installation and network management and maintenance. We believe that our end-to-end service capabilities are a key competitive advantage in forming strategic partnerships to acquire large wireless and broadcast tower portfolios and in winning tower construction mandates.

Our primary business in the United States is the leasing of antenna space to wireless operators under long-term contracts. After completion of the proposed transactions we describe in this prospectus, we will have tower clusters in 26 of the 50 largest U.S. metropolitan areas, including 23 metropolitan areas east of the Mississippi river. We believe that by owning and managing large tower clusters we are able to offer customers the ability to fulfill rapidly and efficiently their network expansion plans across particular markets or regions. Our acquisition strategy has been focused on adding tower clusters. For example, we have entered into agreements with BAM and BellSouth that will allow us to control and operate substantially all the towers in their 850 MHz networks in the eastern, southwestern and midwestern United States.

Our primary business in the United Kingdom is the operation of television and radio broadcast transmission networks. Our towers provide broadcast coverage to 99% of the population and substantially all of the major metropolitan markets. In 1997, we acquired the BBC's national broadcast transmission infrastructure and network services. Following the acquisition of the BBC's tower infrastructure, we were awarded long-term contracts to provide the BBC and other broadcasters analog and digital transmission services. We also lease antenna space to wireless operators in the United Kingdom on the towers we acquired from the BBC and from various wireless carriers. We believe that these broadcast towers are uniquely situated in locations that wireless carriers seeking to lease antenna space find particularly desirable.

We believe our towers are attractive to a diverse range of wireless communications industries, including PCS, cellular, ESMR, SMR, paging, and fixed microwave, as well as radio and television broadcasting. In the United States our major customers include AT&T Wireless, Aerial, BAM, BellSouth, Motorola, Nextel, PageNet and Sprint PCS. In the United Kingdom our major customers include the BBC, Cellnet, Dolphin, NTL, ONdigital, One2One, Orange, Virgin Radio and Vodafone.

We have embarked on a major construction program for our customers to enhance our tower footprint. In 1998, we constructed 231 towers at an aggregate cost of approximately \$46.0 million, and had begun construction of an additional 72 towers as of December 31, 1998. In 1999, we plan to construct between 800 and 1,100 towers at an estimated aggregate cost between \$150.0 million and \$200.0 million for wireless carriers such as BAM, BellSouth and Nextel. The actual number of towers built may be outside that range depending on acquisition opportunities and potential build-to-suit contracts from large wireless carriers. In addition, we were selected to build and operate the world's first digital terrestrial television system in the United Kingdom based on our broadcast engineering expertise.

Growth Strategy

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

- . Maximize Utilization of Tower Capacity. We are seeking to take advantage of the substantial operating leverage of our site rental business by increasing the number of antenna leases on our owned and managed communications sites. We believe that many of our towers have significant capacity available for additional antenna space rental and that increased utilization of our tower capacity can be achieved at low incremental cost. For example, prior to our 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. We believe there is substantial demand for such capacity. In addition, we believe that the extra capacity on our 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 our attractive existing tower footprints. Further, we intend to selectively build and acquire additional towers to improve the coverage of our existing tower footprints to further increase their attractiveness. We intend to use targeted sales and marketing techniques to increase utilization of and investment return on our existing, newly constructed and acquired towers.
- . Leverage Expertise of U.S. and U.K. Personnel to Capture Global Growth Strategy. We are seeking to leverage the skills of our personnel in the United States and the United Kingdom. We believe that our ability to manage networks, including the transmission of signals, will be an important competitive advantage in our pursuit of global growth opportunities, as evidenced by the BBC, One2One, BAM, BellSouth and Powertel transactions. With our wireless communications and broadcast transmission network design and radio frequency engineering expertise, we are well positioned (1) to partner with major wireless carriers to assume ownership of their existing towers, (2) to provide build-to-suit towers for wireless carriers and broadcasters and (3) to acquire existing broadcast transmission networks that are being privatized around the world.
- . Partner with Wireless Carriers to Assume Ownership of their Existing Towers. In addition to the proposed joint venture with BAM and the transaction with BellSouth, we are continuing to seek to partner with other major wireless carriers to assume ownership of their existing towers directly or through joint ventures or control their towers through contractual arrangements. We believe 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, we believe 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. We believe that similar opportunities will arise globally as the wireless communications industry further expands.

- . Provide Build-to-Suit Towers for Wireless Carriers and Broadcasters. As wireless 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 digital terrestrial television broadcasting 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. We are aggressively pursuing these build-to-suit opportunities, leveraging on our ability to offer end-to-end services.
- . Acquire Existing Broadcast Transmission Networks. In 1997, CTI successfully acquired the privatized domestic broadcast transmission network of the BBC. In addition, we are implementing the roll-out of digital television transmission services throughout the United Kingdom. As a result of this experience, we are 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 acquirer the ability to offer unused antenna capacity to new and existing radio and television broadcasters and wireless carriers, as well as to install new technologies such as digital terrestrial transmission services. In addition, our experience in broadcast transmission services allows us to consider, when attractive opportunities arise, acquiring wireless transmission networks as well as the acquisition of associated wireless communications infrastructure. We are currently pursuing international acquisition and privatization opportunities, including a bid in connection with the state-run auction of Australia's National Transmission Network.
- . Continue to Decentralize Management Functions. In order to better manage our tower lease-up efforts and build-out programs, and in anticipation of the continued growth of our tower footprints throughout the United States, we have begun and plan to continue decentralizing some management and operational functions. To that end, in addition to our Pittsburgh operating headquarters and regional office, we have opened and staffed five regional offices, including Houston, Louisville, Phoenix, Albany and Puerto Rico. Upon consummation of the Proposed Transactions we plan to open 10 additional regional offices, five in connection with the Proposed BAM JV, three in connection with the Proposed BellSouth Transaction and two in connection with the Proposed Powertel Acquisition. The principal responsibilities of these offices are to manage the leasing of tower space on a regional basis through a dedicated local sales force, to maintain the towers already located in the region and to implement our build-to-suit commitments in the area. We believe that by moving a significant amount of our operating personnel to regional offices we will be better able to strengthen our relationship with regional carriers, serve our customers more effectively and identify additional build-to-suit opportunities with local and regional carriers.

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. The following table indicates, as of December 31, 1998, after giving pro forma effect to the Proposed Transactions, the geographic concentration of our 6,105 owned and managed towers and 132 revenue producing rooftop sites:

U.S. Towers and Rooftop Sites

	CCI	BAM	JV	BellSouth	Powertel	Total	% of U.S. Total	% of Company Total
	---	-----		-----	-----	-----	-----	-----
Towers:								
Florida.....	3	--		434	76	513	11.4%	8.2%
Georgia.....	--	21		341	151	513	11.4	8.2
Alabama.....	--	9		179	188	376	8.4	6.0
Pennsylvania.....	219	212(a)		--	--	326	7.2	5.2
Tennessee.....	1	1		202	113	317	7.0	5.1
Louisiana.....	51	13		162	--	226	5.0	3.6
Mississippi.....	21	8		125	62	216	4.8	3.5
Texas.....	167	43		--	--	210	4.7	3.4
South Carolina.....	12	161		10	19	202	4.5	3.2
Kentucky.....	--	--		191	--	191	4.2	3.1
Indiana.....	--	--		183	--	183	4.1	2.9
North Carolina.....	11	137		20	--	168	3.2	2.7
Arizona.....	12	152		--	--	164	3.6	2.6
New Jersey.....	1	142		--	--	143	3.2	2.3
New York.....	--	119		--	--	119	2.6	1.9
Maryland.....	--	108		--	--	108	2.4	1.7
Massachusetts.....	--	81		--	--	81	1.8	1.3
New Mexico.....	34	36		--	--	70	1.6	1.1
Virginia.....	5	57		--	--	62	1.4	1.0
Connecticut.....	--	39		--	--	39	*	*
Ohio.....	26	--		--	--	26	*	*
Delaware.....	--	24		--	--	24	*	*
New Hampshire.....	--	23		--	--	23	*	*
West Virginia.....	17	13(b)		--	--	18	*	*
Puerto Rico.....	14	--		--	--	14	*	*
Rhode Island.....	--	13		--	--	13	*	*
All Others.....	15	15		3	41	74	1.6	1.2
	-----	-----		-----	-----	-----	-----	-----
Rooftops(d).....	78	--		--	--	78	1.7	1.3
	-----	-----		-----	-----	-----	-----	-----
Total.....	687	1,427(c)		1,850	650	4,497	100.0%	72.1%
	===	=====		=====	===	=====	=====	=====

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(a) Includes 105 towers we currently manage.

(b) Includes 12 towers we currently manage.

(c) Includes 117 towers we currently manage.

(d) We manage an additional 1,286 rooftop sites throughout the United States that do not currently produce revenue but are available for leasing to our customers.

* Less than 1%.

U.K. Towers and Rooftop Sites

	CTI	One2One	Total	% of U.K. Total	% of Company Total
	---	-----	-----	-----	-----
Towers:					
England.....	492	767	1,259	72.4%	20.1%
Wales.....	134	39	173	9.9	2.8
Scotland.....	151	15	166	9.5	2.7
Northern Ireland.....	88	--	88	5.1	1.4
	---	---	-----	-----	-----
Rooftops.....	54	--	54	3.1	*
	---	---	-----	-----	-----
Total.....	919	821	1,740	100.0%	27.9%
	===	===	=====	=====	=====

U.S. Operations

Overview

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

We lease antenna space to our customers on our owned and managed towers. We generally receive fees for installing customers' equipment and antennas on a tower and also receive monthly rental payments from customers payable under site rental leases that generally range in length from three to five years. Our U.S. customers include such companies as AT&T Wireless, Aerial Communications, AirTouch Cellular, Arch Communications, 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 FBI, the IRS and the U.S. Postal Service.

At December 31, 1998, without giving effect to the Proposed Transactions, we owned or managed 609 towers and 78 rooftop sites in the United States and Puerto Rico. These towers and rooftop sites 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.

Upon completion of the Proposed BAM JV, the joint venture will control and operate approximately 1,427 towers. These towers represent substantially all the towers in BAM's 850 MHz wireless network in the eastern and southwestern United States and provide coverage of 11 of the top 50 U.S. metropolitan areas including New York, Philadelphia, Boston, Washington, D.C. and Phoenix. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

After consummation of the Proposed BellSouth Transaction, we will control and operate 1,850 towers. These towers represent substantially all the towers in BellSouth's 850 MHz wireless network in the southeastern and midwestern United States and provide coverage of 12 of the top 50 U.S. metropolitan areas, including Miami, Atlanta, Tampa, Nashville and Indianapolis. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

Upon completion of the Proposed Powertel Acquisition, we will own and operate an additional 650 towers. These towers represent substantially all of Powertel's owned towers in its 1.9 GHz wireless

network in the southeastern and midwestern United States. Approximately 90% of these towers are clustered in seven southeastern states providing coverage of such metropolitan areas as Atlanta, Birmingham, Jacksonville, Memphis and Louisville, and a number of major connecting highway corridors in the Southeast. These towers are complementary to BellSouth's 850 MHz footprint in the southeast and have minimal coverage overlap. Substantially all of these towers are over 100 feet tall, were built within the last three years and can such accommodate multiple tenants.

We are actively seeking to enter into arrangements with other major wireless carriers and independent tower operators to acquire additional tower footprints. We believe that, like BAM, BellSouth and Powertel, other wireless carriers will seek to enter into contractual arrangements with independent tower carriers, such as us, for the ownership or control of their tower footprints.

We also plan to leverage CCI's network design expertise to construct new towers. We plan 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. When population density and perceived demand are such that we believe the economics of constructing such towers are justified, we build towers that can accommodate multiple tenants. The multiple tenant design of these 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. 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.

Our existing build-to-suit contracts include an agreement with Nextel, under which we have already constructed 67 sites and have an option to construct up to 96 additional sites. In connection with the Proposed BAM JV, BAM and the joint venture will enter into a master build-to-suit agreement pursuant to which the joint venture will build and own the next 500 towers to be built for BAM's wireless communications business over the next five years. Further, we have agreed to enter into a build-to-suit agreement with BellSouth, as part of the Proposed BellSouth Transaction, to construct at least 500 towers on behalf of BellSouth in the region covered by that transaction over the next five years. See "The Proposed Transactions--The Proposed BAM JV--Build to Suit Agreement" and "--The Proposed BellSouth Transaction--Build to Suit Agreement".

Site Rental

In the United States, we rent antenna space on our owned and managed towers and rooftops to a variety of carriers operating cellular, PCS, SMR, ESMR, paging and other networks.

Tower Site Rental. We lease space to our customers on our owned and managed towers. We generally receive fees for installing customers' equipment and antennas on a tower (as provided in our network services programs) and also receive monthly rental payments from customers payable under site leases. In the United States, the majority of our outstanding customer leases, and the new leases typically entered into by us, 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.

We also provide a range of site maintenance services in order to support and enhance our site rental business. We believe that by offering services such as antenna, base station and tower maintenance and security monitoring, we are able to offer quality services to retain our existing customers and attract future customers to our communication sites. We were the first site management company in the United States selected by a major wireless carrier to exclusively manage its tower network and market the network to other carriers for co-location.

The following table describes, without giving effect to the Proposed Transactions, our top ten revenue producing towers in the United States and Puerto Rico:

Name	Location	Height (ft)	Number of Tenant Leases	December 1998 Monthly Revenue
-----	-----	-----	-----	-----
Crane.....	Pennsylvania	450	99	\$67,372
Bluebell.....	Pennsylvania	300	110	54,555
Monroeville.....	Pennsylvania	500	63	39,315
Lexington.....	Kentucky	500	89	38,644
Sandia Crest.....	New Mexico	140	16	26,984
Greensburg.....	Pennsylvania	375	40	26,932
Cranberry.....	Pennsylvania	400	44	26,455
Cerro de Punta.....	Puerto Rico	220	37	24,988
Beaver.....	Pennsylvania	500	43	25,360
El Yunque.....	Puerto Rico	200	34	23,500
			---	-----
Total.....			575	\$354,105
			===	=====

We have existing master lease agreements with AT&T Wireless, Aerial Communications, BAM, 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. We have also entered into an independent contractor agreement with Nextel. The BAM agreement has a 25-year master lease term through December 2020.

We have significant site rental opportunities arising out of our existing agreements with BAM and Nextel. In our existing lease agreement with BAM, we have exclusive leasing rights for 117 existing towers and we currently have sublessees on 58 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 BAM. To date, BAM has never failed to approve a sublease proposed by CCI. If the Proposed BAM JV is formed, it is expected that these 117 towers will be among the 1,427 towers to be contributed to the joint venture by BAM. Because we would maintain the right to put sublessees on those 117 towers, revenue resulting from the addition of new tenants on those towers would continue to be realized by us rather than the joint venture. In connection with the Nextel Agreement, as of December 31, 1998, we have the option to own and operate up to 96 additional towers.

We will also enter into master lease agreements and have significant site rental opportunities in connection with the Proposed Transactions. In connection with the Proposed BAM JV we will enter into a global lease under which BAM will lease antenna space on the towers transferred to the joint

venture, as well as the towers built pursuant to the build-to-suit agreement. In connection with the Proposed BellSouth Transaction, we will be paid a monthly site maintenance fee from BellSouth for its use of space on the towers we control. We will also enter into a master lease agreement with the sellers in the Proposed Powertel Acquisition pursuant to which the sellers will rent space on the acquired towers. In each of the Proposed Transactions, we will be permitted to lease additional space on the towers to third parties. See "The Proposed Transactions".

Rooftop Site Rental. We are a leading rooftop site management company in the United States. Through our subsidiary, Spectrum, we develop new sources of revenue for building owners by effectively managing all technical aspects of rooftop telecommunications, including two-way radio systems, microwave facilities, fiber optics, wireless cable, paging, rooftop infrastructure services and optimization of equipment location. We also handle billing and collections and all calls and questions regarding the site, totally relieving the building's management of this responsibility. In addition to the technical aspects of site management, we provide operational support for both wireless carriers looking to build out their wireless networks, and building owners seeking to out source their site rental activities. We generally enter into management agreements with building owners and receive a percentage of the revenues generated from the tenant license agreements.

Network Services

We design, build and operate our own communication sites. Through CCI, we have developed an in-house expertise in certain value-added services that we offer to the wireless communications and broadcasting industries. Because we view CCI as a turn-key provider with "end-to-end" design, construction and operating expertise, we offer our 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. We have extensive experience in network design and engineering and site selection. While we maintain sophisticated network design services primarily to support the location and construction of Company-owned multiple tenant towers, we do from time to time provide network design and site selection services to carriers and other customers on a consulting contract basis. Our network design and site selection services provide our 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 1998, we provided network design services primarily for our own footprints and also for certain customers, including Triton Communications, Nextel, Aerial Communications and Sprint PCS. These customers were typically charged on a time and materials basis.

To capitalize on the growing concerns over tower proliferation, we have developed a program called "Network Solutions" through which we will attempt to form strategic alliances with local governments to create a single communications network in their communities. To date our efforts have focused on western Pennsylvania, where we have formed alliances with three municipalities. These alliances are intended to accommodate wireless 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 carriers and wireless customers.

Site Acquisition. In the United States, we are engaged in site acquisition services for our 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, our construction department takes over the process of constructing the site.

We have provided site acquisition services to several customers, including AT&T Wireless, Aerial Communications, AirTouch Cellular, BAM, BellSouth, GTE Mobilnet, Nextel, Omnipoint, Pagemart, Sprint PCS and Teligent. These customers engage us for such site acquisition services on either a fixed price contract or a time and materials basis.

Site Development and Construction and Antenna Installation. We have provided site development and construction and antenna installation services to the U.S. communications industry for over 18 years. We have extensive experience in the development and construction of tower sites and the installation of antenna, microwave dishes and electrical and telecommunications lines. Our site development and construction services include clearing sites, laying foundations and electrical and telecommunications lines, and constructing equipment shelters and towers. We have designed and built and presently maintain tower sites for a number of our wireless communications customers and a substantial part of our own tower network. We can provide cost-effective and timely completion of construction projects in part because our 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 us at our 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. We generally set 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 we may negotiate fees on individual sites or for groups of sites. We have the capability and expertise to install antenna systems for our paging, cellular, PCS, SMR, ESMR, microwave and broadcasting customers. As this service is performed, we use our technical expertise to ensure that there is no interference with other tenants. We typically bill for our antenna installation services on a fixed price basis.

Our 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 1998, we provided site development and construction and antenna installation services to approximately 33 customers in the United States, including AT&T Wireless, BAM, Nextel and Sprint PCS.

Broadcast Site Rental and Services

We also provide 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, we believe 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".

Our objective is to become a leader in the build out of the approximately 200 tall towers expected to be built in the United States over the next five years. We believe that our experience in providing digital transmission services in the United Kingdom will make us an attractive provider of broadcast services to the major networks and their affiliates. In addition, we will seek to partner with broadcasters and major station ownership groups that own property zoned for tall towers, but that lack sufficient resources and expertise to build a tower. We will then attempt to co-locate on the tower the transmitters of commercial broadcast television stations and high powered FM radio stations in that market as well as wireless 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. We have developed an ENG repeater system that can be used on many of our towers in western Pennsylvania and expect to develop similar systems in other markets in which we have or develop tower footprints. This system allows the ENG van to send a signal to one of our local towers where the signal is retransmitted back to the television transmitter site. The retransmission of the signal from our tower to the various television transmitter sites is done via a microwave link. We charge the station for the ENG receiver system at the top of our tower and also charge them for the microwave dish they place on our tower. Our ENG customers are affiliates of the NBC, ABC, CBS and Fox networks.

We also have 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. We have installed master FM and television systems on buildings across the country. We have supervised the construction and operation of the largest master FM antenna facility in the United States and have engineered and installed two 2,000 foot broadcast towers with master FM antennas. We believe that this experience may help us negotiate favorable 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

We have many agreements with telecommunications providers in the United States, including leases, site management contracts and independent contractor agreements. We currently have important contracts with, among others, BAM, Nextel and BellSouth. While these agreements currently are important to us, our most significant contracts in the U.S. will result from consummation of the Proposed Transactions. In addition, we are party to a contract with the State of New York, which we believe to be the first of its kind, to manage all State-owned real estate for wireless communications purposes for the next 20 years. This contract includes the rights to more than 16,000 structures and rooftops, tens of thousands of miles of rights-of-way and millions of acres of State-owned land.

Customers

In both our site rental and network services businesses, we work with a number of customers in a variety of businesses including cellular, PCS, ESMR, paging and broadcasting. We work primarily with large national carriers such as BAM, BellSouth, Sprint PCS, Nextel and AT&T Wireless. For the year ended December 31, 1998, no customer in the United States accounted for more than 10.0% of CCI's revenues, other than Nextel, which accounted for approximately 12.5% of CCI's consolidated revenues. Nextel revenues are expected to grow as we build out Nextel interstate corridor sites.

Industry	Selected Customers
-----	-----
Cellular.....	AT&T Wireless, BAM
PCS.....	Sprint PCS, Western Wireless, Powertel
Broadcasting.....	Hearst Argyle Television, Trinity Broadcasting
SMR/ESMR.....	Nextel, SMR Direct
Governmental Agencies.....	FBI, INS, Puerto Rico Police
Private Industrial Users.....	IBM, Phillips Petroleum
Data.....	Ardis, RAM Mobile Data
Paging.....	AirTouch, PageNet, TSR Wireless
Utilities.....	Equitable Resources, Nevada Power
Other.....	WinStar, Teligent

Sales and Marketing

Our sales and marketing personnel, located in our regional offices, target carriers expanding their networks, entering new markets, bringing new technologies to market and requiring maintenance or add-on business. All types of wireless carriers are targeted including broadcast, cellular, paging, PCS, microwave and two-way radio. We are 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. Our objective is to pre-sell capacity on our towers by promoting sites prior to construction. Rental space on existing towers is also aggressively marketed and sold.

We utilize 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 build outs, 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 our sales and marketing personnel to target specific carriers' needs for specific sites. To foster productive relationships with our major existing tenants and potential tenants, we have 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 our 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). Our promotional activities range from advertisements and site listings in industry publications to maintaining a presence at national trade shows. Potential clients are referred to our Web site, which contains Company information as well as site listings. In addition, our 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 us via e-mail through the Web site or Cell Site Express. Our network services capabilities are marketed in conjunction with our tower footprints.

To follow up on targeted mailings and to cold-call on potential clients, we have 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, we compete with other independent tower owners, some of which also provide site rental and network services; wireless 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 carriers that own and operate their own tower networks generally are substantially larger and have greater financial resources than us. We believe 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. We also compete for acquisition and new tower construction opportunities with wireless carriers, site developers and other independent tower operating companies and believe 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 us.

The following is a list of the independent tower companies that we compete with in the United States: American Tower Corporation, Pinnacle Towers, SpectraSite, SBA Communications, WesTower, Unisite, LCC International and Lodestar Communications.

The following companies are primarily competitors for our 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.

We believe that the majority of our 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). We offer our services nationwide and we believe we are 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. We believe 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. We believe that we compete favorably in these areas.

Overview

We own and operate, through our 80% interest in CTI, one of the world's most established television and radio transmission networks and are expanding our leasing of antenna space on our towers to a variety of wireless carriers. We provide transmission services for four of the six digital terrestrial television services in the U.K., two BBC analogue 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 our 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 we own and the balance of which are licensed to us under a site-sharing agreement (the "Site-Sharing Agreement") with NTL, our principal competitor in the United Kingdom. We have also secured long-term contracts to provide digital television transmission services to the BBC and ONdigital. See "--Significant Contracts". In addition to providing transmission services, we also lease antenna space on our transmission infrastructure to various communications service providers and provide telecommunications network installation and maintenance services and engineering consulting services.

Our 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 December 31, 1998, approximately 60.6% of CTI's consolidated revenues were derived from the provision of services to the BBC.

At December 31, 1998, we owned, leased or licensed 861 transmission sites on which we operated 865 towers, including the 102 towers we acquired in the Millennium acquisition. In addition, as of December 31, 1998 we were constructing eight new towers on existing sites and had 112 site acquisition projects in process for new tower sites. We have 54 revenue producing rooftop sites that are occupied by our transmitters but are not available for leasing to our customers. Our sites are located throughout England, Wales, Scotland and Northern Ireland.

We expect to significantly expand our existing tower footprints in the United Kingdom by building and acquiring additional towers. We believe our 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 our tower footprints to wireless communications providers, we will seek to build or acquire new communications towers. Using our team of over 300 engineers with state-of-the-art network design and radio frequency engineering expertise, we locate sites and design towers that will be attractive to multiple tenants. We seek 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, One2One, Orange and Scottish Telecom, thereby securing an anchor tenant for a site before incurring capital expenditures for the site build-out. As of December 31, 1998, we were building eight towers that we will own. In addition, we expect to make strategic acquisitions of existing communications sites (primarily those owned by wireless carriers) in order to expand our infrastructure and to further leverage our site management experience.

On March 5, 1999, we entered into an agreement with One2One pursuant to which CTI has agreed to manage, develop and, at its option, acquire 821 towers. These towers represent

substantially all the towers in One2One's nationwide 900 MHz wireless network in the United Kingdom. These towers will allow CTI to market a nationwide network of towers to third generation wireless carriers in the United Kingdom following the completion of the pending auction of such licenses by the U.K. government.

We believe that we generally have significant capacity on our towers in the United Kingdom. Although approximately 133 of our towers are poles with limited capacity, we typically will be able to build new towers that will support multiple tenants on these sites (subject to the applicable planning process). We intend to upgrade these limited capacity sites where we believe we can achieve appropriate returns to merit the necessary capital expenditure. For example, in connection with a contract with Vodafone, we are upgrading 68 of these sites with limited capacity. See "--Significant Contracts--Vodafone". Approximately 59 of our 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.

Transmission Business

Analog. For the twelve months ended December 31, 1998, CTI generated approximately 52.8% of its revenues from the provision of analog broadcast transmission services to the BBC. Pursuant to the BBC Analog Transmission Contract, we provide 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 December 31, 1998, the BBC Analog Transmission Contract generated revenues of approximately (Pounds)49.4 million (\$82.1 million) for us.

In addition to the BBC Analog Transmission Contract, we have 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.

We own 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 December 31, 1998, CTI had 3,465 transmitters, of which 2,196 were for television broadcasting and 1,269 were for radio.

A few of our most powerful television 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 our 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 our 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 us with reciprocal access rights to NTL's broadcast transmission sites on which we have equipment.

Certain of our 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. We have 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. We have committed to invest approximately (Pounds)100.0 million (\$170.0 million) for the build out of new infrastructure to support DTT over the next two years, (Pounds)55.3 million (\$92.0 million) of which we had already invested by December 31, 1998. 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 us with the remainder owned by NTL. An arrangement similar to that of the Site-Sharing Agreement is being negotiated to govern the particular issues arising out of the sharing of digital transmission sites between NTL and us.

We successfully began commercial operation of the DTT networks from an initial 22 transmission sites on November 15, 1998. This launch marks the first stage of the project to introduce the digital broadcast system that will eventually replace conventional analog television services in the United Kingdom. As the network size expands during 1999, the number of viewers who are able to receive the service will increase significantly. We have accepted an invitation from the U.K. television regulator, the Independent Television Commission (ITC), to play a major role in planning further DTT network extensions to be built in the year 2000 and beyond.

We are currently 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 our transmission network, and this service is now broadcast to approximately 60% of the U.K. population. A license for an independent national digital radio network was awarded to the Digital One consortium during 1998 and it is expected that this service will commence during 1999. We are in negotiations to provide accommodation and access to masts and antennas at 24 transmission sites to support the launch of Digital One. In addition, local digital radio licenses will be awarded during 1999. We believe we are well positioned 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. As of December 31, 1998, approximately 200 companies rented antenna space on approximately 405 of CTI's 919 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. Our largest site rental customer in the United Kingdom is NTL under the Site-Sharing Agreement. This agreement generated approximately (Pounds)592,000 (\$984,400) of site rental revenue in December 1998.

We also provide a range of site maintenance services in order to support and enhance our U.K. site rental business. We believe that by offering services such as antenna, base station and tower maintenance and monitoring, we are able to offer quality services to retain our existing customers and attract future customers to our communications sites. We complement our U.K. transmission experience with our 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 our top ten revenue producing towers in the United Kingdom:

Name	Location	Height(ft)	Number of Tenant Leases	CTI's December 1998 Monthly Revenue	
-----	-----	-----	-----	-----	-----
Brookmans Park.....	S.E. England	147	19	(Pounds) 25,026	\$ 41,613
Bow Brickhill.....	S.E. England	197	13	17,479	29,064
Mendip.....	S.W. England	924	19	16,534	27,493
Hannington.....	S. England	440	15	12,267	20,398
Crystal Palace.....	London	653	14	11,638	19,352
Wrotham.....	S. England	379	14	11,385	18,931
Waltham.....	C. England	954	10	10,750	17,875
Redruth.....	S.W. England	500	18	10,523	17,498
Heathfield.....	S. England	443	15	10,296	17,120
Oxford.....	C. England	507	14	9,973	16,583
			---	-----	-----
Total.....			151	(Pounds)135,871	\$225,927
			===	=====	=====

Other than NTL, CTI's largest (by revenue) site rental customers consist mainly of wireless 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. We believe 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.

We have master lease agreements with all of the major U.K. telecommunications site users including BT, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, 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 our U.K. portfolio. Customers make orders for specific sites using the standard terms included in the master lease agreements. As of December 31, 1998, there were approximately 400 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. We retained all the BBC Home Service Transmission Business employees upon CTI's acquisition. Accordingly, we have engineering and technical staff of the caliber and experience necessary not only to meet the requirements of our 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 four years, in Thailand, Taiwan, Poland and Sri Lanka.

With the expertise of our engineers and technical staff, we are a turn-key provider to the wireless communications and broadcast industries. We 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. We have extensive experience in network design and engineering and site selection. While we maintain sophisticated network design services primarily to support the location and construction of multiple tenant towers that we own, from time to time we do provide network design and site selection services to carriers and other customers on a consulting

contract basis. Our network design and site selection services provide our 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, we are involved in site acquisition services for our own purposes and for third parties. We recognize that the site acquisition phase often carries the highest risk for a project. To ensure the greatest possible likelihood of success and timely acquisition, we combine 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. We leverage off our experience in site acquisition and co-location when meeting with local planning authorities.

Site Development and Antenna Installation. We use a combination of external and internal resources for site construction. Our 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 we have a long association, are used for tower installation. Final antenna installation is undertaken by our own experienced teams.

Site Management and Other Services. We also provide complete site management, preventive maintenance, fault repair and system management services to the Scottish Ambulance Service. We also maintain a mobile radio system for the Greater Manchester Police and provide 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 ONdigital 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. CTI 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. CTI has entered into contracts to design and build 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") to incorporate a small number of minor modifications requested by the BBC. The BBC Analog Transmission Contract provides for charges of approximately (Pounds)46.5 million (\$77.3 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 (\$498,840) 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 (\$831,400) 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. We believe 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 three 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 we 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 our ability and the ability of 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 (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 and (iii) to permit the roll-up of CTI immediately prior to the IPO.

The BBC Commitment Agreement also required TdF Parent and us to enter into a services agreement with CTI. The original services agreement entered into by TdF Parent and CTI on February 28, 1997 (pursuant to which TdF makes available certain technical consultants, executives and engineers to CTI) was amended on August 21, 1998 to extend the original minimum term of services provided from three years to seven years, commencing February 28, 1997, thereafter terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003. See "The Roll-Up--Roll-Up Arrangements--CTI Series Agreement".

ONDigital Digital Transmission Contract

In 1997, the Independent Television Commission awarded ONDigital three of the five available commercial digital terrestrial television multiplexes for new program services. We bid for and won the 12 year contract from ONDigital to build and operate its digital television transmission network (the "ONDigital Digital Transmission Contract"). The contract provides for approximately (Pounds)20.0 million (\$34.0 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, we 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 (\$17.8 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 our 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 us 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 ONdigital Digital Transmission Contract, in addition to providing digital terrestrial transmission services, CTI has agreed to provide for the distribution of the BBC's and ONdigital's broadcast signals from their respective television studios to CTI's transmission network. Consequently, in May 1998, CTI entered into a 12 year distribution contract (the "BT Digital Distribution Contract") with British Telecommunications plc ("BT") (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 NTL and us 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 us, Vodafone agreed to locate antennas on 122 of our existing communication sites in the United Kingdom. The first 39 sites had been completed by the end of December 1998. This included 4 sites at which a new tower had been constructed to replace an existing structure of limited capacity. The remaining sites are expected to be completed by end of July 1999 and will include the construction of a further 60 replacement towers. After their upgrade, these sites will be able to accommodate additional tenants.

Customers

For the twelve months ended December 31, 1998, the BBC accounted for approximately 60.6% of CTI's consolidated revenues. This percentage has decreased from 64.6% for the twelve months ended March 31, 1998 and is expected to continue to decline as CTI continues to expand its site rental business. 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 and Scottish Telecom, with microwave links and backhaul infrastructure. The following is a list of some of CTI's leading site rental customers by industry segment.

Industry	Selected Customers
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Broadcasting.....	BBC, NTL, Virgin Radio, Talk Radio, XFM
PMR/TETRA.....	National Band 3, Dolphin
PCN.....	Orange, One2One
Data.....	RAM Mobile Data, Cognito
Paging.....	Hutchinson, Page One
Governmental Agencies.....	Ministry of Defense
Cellular.....	Vodafone, Cellnet
Public Telecommunications.....	BT, Cable & Wireless Communications
Other.....	Aerial Sites, Health Authorities
Utilities.....	Welsh Water, Southern Electric

Sales and Marketing

We have 20 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. We have begun to actively cross-sell our products and services so that, for example, site rental customers are also offered build-to-suit services.

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 a similar contract for the DTT service for SDN (CTI has been awarded similar contracts for the BBC and ONdigital--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, 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 than 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 December 31, 1998, the Company had approximately 384 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

We are 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 our financial condition or results of operations. We are currently in discussions with the Department of Labor (the "DOL") to settle an investigation the DOL has conducted into employment practices put into place prior to our acquisition of CCI. Upon notification by the DOL of its investigation, the practices were ceased. We anticipate the settlement to be approximately \$200,000.

Employees

At March 1, 1999, we employed 928 people worldwide. Other than in the United Kingdom, we are not a party to any collective bargaining agreements. In the United Kingdom, we are 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. We have not experienced any strikes or work stoppages, and management believes that our employee relations are satisfactory.

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 is in compliance with the FAA's rules and is registered with the FCC, if 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 FAA and 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 limits 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) prohibit or have the effect of prohibiting the provision of personal wireless service. 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. We hold, through certain of our subsidiaries, licenses for radio transmission facilities granted by the FCC, including licenses for common carrier microwave and commercial mobile radio services ("CMRS"), including SMR and paging facilities, as well as private mobile radio services ("PMRS") including industrial/business radio facilities, which are subject to additional regulation by the FCC. We are required to obtain the FCC's approval prior to the transfer of control of any of our FCC licenses. Consummation of the IPO and the Roll-Up would have resulted in a transfer of control of us under the FCC's rules and policies if, after such transactions, over 50% of our voting stock would have been owned by new stockholders.

We, as the parent company of the licensees of common carrier and CMRS facilities, are also subject to Section 310(b)(4) of the Communications Act of 1934, as amended, which would limit us 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. We are 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 FCC has granted approval of up to 49.9% foreign ownership of us, at least 25% of which will be from WTO-member nations.

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 renewable 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 has made a determination with respect to 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's position is 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. This procedure could result in the fees NTL pays to CTI for site sharing facilities for Classic FM, currently calculated under the Site-Sharing Agreement, being determined at a reduced rate and otherwise not being covered by the terms of any existing contract which could 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 has applied for leave to obtain a judicial review of this decision. In addition, CTI has made a provision of approximately (Pounds)1.9 million relating to any rate adjustment imposed by OFTEL with respect to previous charges for Classic FM under the Site-Sharing Agreement.

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 a number of 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 including:

(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;

(iii) two DAB Test and Development Licenses; and

(iv) DTT Test & 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, Virgin Radio and Talk Radio have each contracted to pay their portion of these fees. ONdigital is obligated under the ONdigital Digital Transmission Contract to pay most of their portion of these fees.

Environmental Matters

Our 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, we are 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. We are potentially subject to cleanup liabilities in both the United States and the United Kingdom.

We are also 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 we have not been subject to any claims relating to RF emissions, we have established operating procedures designed to reduce employee exposures to RF emissions and are presently evaluating certain of our towers and transmission equipment in the United States and the United Kingdom to determine whether RF emission reductions are possible.

In addition, we are 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.

We believe that we are 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 our business, results of operations, or financial condition.

THE PROPOSED TRANSACTIONS

Proposed BAM JV

On December 8, 1998, BAM, certain of the Transferring Partnerships, the Company and CCA Investment Corp., our wholly owned indirect subsidiary ("CCAIC"), entered into the Formation Agreement to form the Proposed BAM JV to own and operate a significant majority of BAM's towers. We will own approximately 62.3% of the Proposed BAM JV and BAM and certain of its affiliates will own the remaining 37.7% along with a 0.001% interest in the joint venture's operating subsidiary. For financial reporting purposes, we intend to consolidate the Proposed BAM JV's results of operations and financial condition with our own.

We will manage the day-to-day operations of the Proposed BAM JV. The Proposed BAM JV will actively seek to add additional tenants to its towers in order to increase its revenues. The Proposed BAM JV will also construct and own new towers that are needed by BAM's wireless communications business. See "--Build-to-Suit Agreement" and "--Global Lease". The Proposed BAM JV will have regional offices that will be staffed primarily with our employees to perform marketing, billing, operations and maintenance functions.

Although the Proposed BAM JV is expected to be formed during the first quarter of 1999, the Formation Agreement is subject to a number of significant conditions. There can be no assurance that the Proposed BAM JV will be formed on the terms described in this document or at all.

The following descriptions of the agreements related to the Proposed BAM JV are summaries of the material portions of those agreements. These descriptions are qualified in their entirety by reference to the complete texts of the agreements, each of which is available as set forth under the heading "Available Information".

Formation Agreement

Formation of the Proposed BAM JV. Pursuant to the Formation Agreement, CCAIC will contribute \$250.0 million in cash and approximately 15.6 million shares of our common stock (valued at \$197.0 million) to the Proposed BAM JV. BAM and the Transferring Partnerships will transfer approximately 1,427 towers along with related assets and liabilities to the Proposed BAM JV. The Proposed BAM JV expects to borrow \$180.0 million under a committed \$250.0 million revolving credit facility. The joint venture will make a \$380.0 million cash distribution to BAM.

Concurrently with the formation of the joint venture, BAM and the Proposed BAM JV will enter into a master Build-to-Suit Agreement, a Global Lease and a transitional services agreement and we will enter into a services agreement with the Proposed BAM JV.

Terms and Conditions. In connection with its contribution of assets and liabilities to the Proposed BAM JV, BAM is making certain representations and warranties to the Proposed BAM JV concerning the contributed assets and liabilities. In general, the Proposed BAM JV will have until June 30, 2000, to raise any claims for indemnification for breaches of the representations and warranties by BAM. However, BAM's indemnification obligations are subject to a number of significant limitations including a per occurrence deductible of \$25,000, an aggregate deductible of \$7.5 million and an absolute cap of \$195.0 million.

The formation of the Proposed BAM JV is subject to a number of significant conditions. These conditions include:

- . accuracy of the representations and warranties of BAM and us;
- . receipt of bank financing by the Proposed BAM JV;

- . receipt of certain third party consents required for the transfer of the tower assets to the Proposed BAM JV;
- . receipt of regulatory approvals;
- . absence of litigation;
- . receipt of certain environmental studies; and
- . absence of any material adverse effect with respect to our business, assets, operations, conditions (financial or otherwise) or prospects and of our subsidiaries taken as a whole.

There can be no assurance that these conditions will be satisfied or waived. If they are not satisfied or waived, the Proposed BAM JV may not be formed on the terms described in this document or at all. See "Risk Factors--The Proposed BAM JV May Not Occur".

Build-to-Suit Agreement

In connection with the formation of the Proposed BAM JV, BAM and the Proposed BAM JV will enter into the Build-to-Suit Agreement. Pursuant to the Build-to-Suit Agreement and subject to certain conditions, BAM and the Proposed BAM JV have agreed that (i) the next 500 towers to be built for BAM's wireless communications business will be constructed and owned by the Proposed BAM JV and (ii) immediately thereafter the Proposed BAM JV will have a right of first refusal to construct the next 200 additional towers to be built for BAM. BAM is required to submit these 700 site proposals to the Proposed BAM JV during the five-year period following the formation of the joint venture; however, the five-year period will be extended for additional one-year periods, until 700 site proposals are submitted to the Proposed BAM JV. The Proposed BAM JV will be required to build towers in the general vicinity of the locations proposed by BAM. Upon completion of a tower, it will become subject to the Global Lease (as discussed below). Space not leased by BAM or its affiliates on each tower is available for lease by the Proposed BAM JV to third parties.

The Build-to-Suit Agreement sets out various time periods for BAM to identify its tower needs within certain search areas, and for the Proposed BAM JV to locate sites and to thereafter complete site acquisition and development work, including permitting and construction.

Global Lease

In connection with the formation of the Proposed BAM JV, BAM and the Proposed BAM JV will enter into the Global Lease. All of the approximately 1,427 towers to be acquired by the Proposed BAM JV from BAM and the Transferring Partnerships pursuant to the Formation Agreement, and all towers constructed by the Proposed BAM JV pursuant to the Build-to-Suit Agreement, will be governed by the Global Lease. The average monthly rent paid by BAM on each of the 1,427 towers contributed to the Proposed BAM JV by BAM will be approximately \$1,850. Minimum monthly rents on the towers built pursuant to the Build-to-Suit Agreement will range from \$1,250 to \$1,833 depending on the region in which the tower is located. These rents may increase based on the amount of BAM's equipment to be installed at a site. Rents are subject to annual increase based on the consumer price index, subject to certain adjustments. For all sites, the initial lease term is ten years. BAM has the right to extend any lease for three additional five-year terms and one additional term of four years and eleven months. Each lease will automatically renew for an option term unless BAM notifies the Proposed BAM JV at least six months before the then current term expires. Space not leased by BAM or its affiliates on each tower is available for lease by the Proposed BAM JV to third parties.

Operating Agreements

In connection with the formation of the Proposed BAM JV, BAM and CCAIC will enter into limited liability company operating agreements that will establish and govern the limited liability companies comprising the Proposed BAM JV.

Governance. The business and affairs of the Proposed BAM JV will be managed by its managers under the supervision of a board of representatives. Each manager will be selected by CCAIC. Members of the board of representatives will be selected by each of BAM and CCAIC in proportion to their ownership interests in the Proposed BAM JV. The board of representatives initially will have six members, with two selected by BAM and four selected by CCAIC. So long as BAM maintains at least a 5.0% interest in the Proposed BAM JV, it will maintain the right to designate at least one member of the board of representatives.

The managers will operate the Proposed BAM JV on a day-to-day basis. In general, the managers will have the power and authority to take all necessary or appropriate actions to conduct the Proposed BAM JV's business in accordance with its then current business plan. Actions requiring the approval of the board of representatives generally will be authorized upon the affirmative vote of a majority of the members of the board of representatives. However, the following actions will require the mutual consent of BAM and CCAIC, either by written consent or by the approval of representatives of each of BAM and CCAIC at a meeting of the board of representatives:

- . engaging in any business other than owning, acquiring, constructing, leasing and operating communications towers in the United States;
- . taking any voluntary action that would cause the Proposed BAM JV to be insolvent or voluntarily entering into a bankruptcy proceeding;
- . incurring any debt other than the Proposed BAM JV Credit Facility and ordinary course trade payables;
- . incurring any liens;
- . issuing any additional equity interests in the Proposed BAM JV;
- . becoming liable with respect to contingent obligations such as guarantees or the obligation to make take-or-pay or similar payments;
- . failing to preserve the Proposed BAM JV's existence under Delaware law or its qualification to do business in each jurisdiction in which such qualification is necessary or desirable;
- . mergers or consolidations;
- . sales of assets outside the ordinary course;
- . entry into contracts with affiliates except in the ordinary course and on an arm's-length basis;
- . any dividends or distributions; provided, if the Proposed BAM JV has been dissolved and the Proposed BAM JV Credit Facility has been repaid in full, BAM's consent will not be required;
- . the determination of the methodology to be used in calculating payments under the management agreement and the services agreement pursuant to which the Company will manage and provide services to the Proposed BAM JV;
- . approval of the business plan;
- . entry into contracts that (1) restrict the business activities of the Proposed BAM JV in any geographic area, (2) contain exclusivity provisions, (3) are inconsistent with any of the

agreements entered into in connection with the formation of the Proposed BAM JV or (4) provide for the purchase or sale of goods or services involving an amount in excess of \$10.0 million per year; and

exercising any voting rights with respect to the shares of common stock of the Company held by the Proposed BAM JV; provided, if BAM and CCAIC do not agree as to how the shares should be voted, the shares will be voted pro rata with all shares of common stock of the Company voted on the matter.

Restrictions on Transfers of Interests; Rights of First Refusal; Tag-Along Rights. Except for transfers to wholly owned affiliates, neither BAM nor CCAIC may transfer its interest in the Proposed BAM JV to a third party unless it first offers its interest to the other on terms and conditions, including price, no less favorable than the terms and conditions on which it proposes to sell its interest to the third party. In addition, if BAM or CCAIC wishes to transfer its interest in the Proposed BAM JV to a third party, the other party will have the right to require the third party, as a condition to the sale, to purchase a pro rata portion of its interest in the Proposed BAM JV on the same terms and conditions, including price. BAM may only transfer its 0.001% interest in the operating subsidiary of the Proposed BAM JV to its wholly owned affiliates or in connection with a merger or consolidation transaction to which BAM or Bell Atlantic Corporation is a party.

Dissolution of the Proposed BAM JV. We have agreed with BAM that upon a dissolution of the Proposed BAM JV, in satisfaction of our respective interests in the Proposed BAM JV, we would receive all the assets and liabilities of the Proposed BAM JV other than the approximately 15.6 million shares of our common stock held by the Proposed BAM JV and BAM would receive all of the shares of our common stock held by the Proposed BAM JV and a payment from us, equal to 14.0% of the fair market value of the assets and liabilities of the joint venture (other than our common stock), to be made in cash or our common stock (at our election). BAM would continue to retain its 0.001% interest in the joint venture's operating subsidiary. For so long as it retains such interest, the operations formerly included in the Proposed BAM JV would remain subject to the operating restrictions set forth under "-- Governance". A dissolution of the Proposed BAM JV may be triggered (1) by BAM at any time following the third anniversary of the formation of the Proposed BAM JV and (2) by us at any time following the fourth anniversary of its formation; however, if we trigger the dissolution prior to the seventh anniversary, we may be required to make additional cash payments to BAM.

Transitional Services Agreement; Services Agreement

In connection with the formation of the Proposed BAM JV, BAM and the Proposed BAM JV are expected to enter into a transitional services agreement pursuant to which BAM will provide the Proposed BAM JV with services necessary to ensure a smooth transition of the business to the Proposed BAM JV. In addition, we and the Proposed BAM JV are expected to enter into the services agreement pursuant to which we will provide the Proposed BAM JV with certain services.

Proposed BellSouth Transaction

On March 5, 1999, we entered into the Letter Agreement with BellSouth Mobility Inc., BellSouth Telecommunications Inc. and certain of its affiliates. Subject to approval by BellSouth's Board of Directors, the Letter Agreement sets forth the terms of our agreement under which BellSouth will sell to us, in a taxable sale pursuant to a master sublease agreement, their 1,850 wireless communications towers for \$610.0 million, consisting of \$430.0 million in cash and approximately 9.1 million shares of our common stock (valued at \$180.0 million), subject to adjustments. The aggregate consideration will be subject to increase if BellSouth transfers more than 1,850 towers to us in connection with the transaction.

We will be responsible for managing, maintaining and leasing the available space on BellSouth's wireless communications towers located throughout Indiana, Kentucky, Louisiana, Mississippi, Alabama, Arkansas, Florida, Georgia and Tennessee. While we will have complete responsibility for the towers, and their monitoring and maintenance, BellSouth will continue to fully own its communications components including switching equipment, shelters and cell site facilities. BellSouth will pay a fee of \$1,200 per month per site to us for its services on existing and build-to-suit towers.

The transaction is expected to close in a series of closings, beginning in the second quarter of 1999, and is expected to be fully closed no later than eight months thereafter. In connection with our entering into the Letter Agreement we have placed \$50.0 million in an escrow account which will be returned to us at the first stage of the multi-stage closing. There can be no assurance, however, that the Proposed BellSouth Transaction will be consummated on the terms described in this document or at all. See "Risk Factors--We May Not Consummate the Proposed Transactions."

The following description of the agreements related to the Proposed BellSouth Transaction are summaries of the material portions of those agreements. These descriptions are qualified in their entirety by reference to the complete text of the agreements, each of which is available as set forth under the heading "Available Information".

Letter Agreement

General. Pursuant to the Letter Agreement, a newly formed subsidiary of ours, that we call CCSI, will receive rights to lease, sublease, design, develop, contract, operate, market and manage approximately 1,850 tower sites owned by BellSouth Mobility Inc., BellSouth Telecommunications Inc. and certain of BellSouth's affiliates, or to be constructed on behalf of BellSouth, in Indiana, Kentucky, Louisiana, Mississippi, Alabama, Arkansas, Florida, Georgia and Tennessee, which we call the Territory, in exchange for aggregate consideration of \$610.0 million, consisting of \$430.0 million in cash and approximately 9.1 million shares of our common stock (valued at \$180.0 million), subject to adjustments.

The terms and conditions of the sublease of the 1,850 sites by BellSouth to CCSI are set forth in an agreement, which we call the Sublease, to be entered into between BellSouth and CCSI and us. Further, we have agreed to enter into a site management agreement, which we call the Site Management Agreement, pursuant to which we will agree to provide certain management services on sites which are not part of the 1,850 towers contemplated by the Sublease, because of restrictions on transfer, and which will be designated by BellSouth. The Letter Agreement further contemplates a build-to-suit agreement to be entered into by BellSouth and CCSI pursuant to which CCSI will develop and construct at least 500 towers in the Territory over a period of five years, which period will be extended for an additional two-year period in the event CCSI has not completed at least 500 tower builds within the initial five-year time period.

The Letter Agreement provides that the transaction will require further documentation including the preparation, acceptance and delivery of a definitive agreement to sublease, which we call the Agreement to Sublease, the terms of which have not yet been fully negotiated.

Consideration. Pursuant to the Letter Agreement, we will pay to BellSouth the sum of \$324,324.32 for each site leased or subleased to CCSI pursuant to the Sublease. In the event that subleases covering the full 1,850 towers are transferred to CCSI as contemplated by the Letter Agreement, the aggregate consideration payable to BellSouth will consist of \$430.0 million in cash and \$180.0 million in our common stock; provided, however, that we will retain the option to increase the cash portion of the aggregate consideration by up to \$30.0 million and decrease the equity portion to not less than \$150.0 million. Such option must be exercised by us prior to the first

closing. The number of shares of our common stock included in the consideration will be approximately 9.1 million shares and was determined using the average closing price of our common stock on the 30 trading days immediately preceding March 5, 1999, which we call the Initial Share Price. While the Letter Agreement contemplates the sublease by BellSouth of approximately 1,850 sites to CCSI, in the event that additional sites are subleased to CCSI, the consideration paid for the next 250 sites will be payable in cash only. If CCSI subleases more than 2,100 sites from BellSouth in connection with the Sublease, consideration for any additional towers will be payable in shares of our common stock.

The Letter Agreement further provides that if the average closing price of our common stock during the 30 day period immediately preceding the first anniversary of the final closing which we call the Subsequent Share Price is less than the Initial Share Price, then we will, at our option, (1) pay BellSouth cash in an amount, which we call the Make-up Amount, equal to (x) the difference between the Initial Share Price and the Subsequent Share Price multiplied by (y) the number of shares issued as part of the consideration less (z) the gross proceeds from all sales of such shares prior to the first anniversary of the final closing or (2) issue to BellSouth the number of shares of our common stock equal to the Make-up Amount divided by the Subsequent Share Price; in each case not to exceed \$50.0 million in cash or \$75.0 million in common stock.

Pursuant to the Letter Agreement, the consideration will be subject to adjustment based on the amount we are required to pay in calendar year 1999 for ground rent on sites contemplated by the Letter Agreement. If a post-closing audit demonstrates that the amount we are required to pay, in aggregate, for such ground rents exceeds \$11.4 million, BellSouth will be required to pay to CCSI an amount equal to a certain multiple of the amount by which the rents exceed \$11.4 million, not to exceed \$45.0 million.

Escrow Payment. In connection with the signing of the Letter Agreement, we deposited the amount of \$50.0 million into an escrow account which we call the BellSouth Escrow Payment. Upon approval of the Proposed BellSouth Transaction by BellSouth's Board of Directors, BellSouth will be entitled to receive the BellSouth Escrow Payment in full in the event that:

- . we and BellSouth fail to execute the Agreement to Sublease within 90 days of the date of the Letter Agreement (and BellSouth has negotiated the operative documents in good faith) or
- . the Agreement to Sublease is executed but the initial closing fails to occur as a result of any breach of the Agreement to Sublease by us or CCSI or any failure of us or CCSI to satisfy the closing conditions set forth in the Agreement to Sublease.

Upon consummation of the first closing, the BellSouth Escrow Payment will be returned to us. Further, if BellSouth's Board of Directors fails to approve the Proposed BellSouth Transaction within the applicable time period, the BellSouth Escrow Payment will be returned to us. BellSouth has agreed to seek the approval of its Board of Directors as soon as practicable, but no later than April 26, 1999.

In the event that BellSouth's Board of Directors does not approve the Proposed BellSouth Transaction within 90 days of the Letter Agreement, and if at any time within one year following expiration or termination of the Letter Agreement BellSouth transfers, sells, assigns, leases, subleases or otherwise disposes of all or substantially all of the tower assets contemplated by the Letter Agreement, BellSouth will be required to pay to us an amount equal to the greater of (i) \$15.0 million or (ii) one-half of the amount by which the total consideration received by BellSouth pursuant to such transfer, sale, assignment, lease or sublease exceeds the total consideration that would have been paid to BellSouth by us pursuant to the Letter Agreement.

Closings. In connection with the Letter Agreement, we and BellSouth have agreed that the sublease of the sites pursuant to the Sublease will be consummated in a series of closings not to exceed a period of eight months and will include a minimum number of sites to be included in each closing, the first of which is expected to take place on May 31, 1999. BellSouth has agreed to use all commercially reasonable efforts to sublease approximately 250 sites at each closing, grouped so as to be located in contiguous regions, until all sites have been subleased prior to or at the final closing. The sites to be included on the initial closing date will be located in Kentucky and Indiana.

Termination Right. The Letter Agreement provides that in the event that any one of the closings contemplated by the Proposed BellSouth Transaction is not consummated due to our or TowerCo's failure to comply with all conditions, covenants and representations required of them, in addition to any other remedies BellSouth may have at equity or law, BellSouth will have the right to require us to pay to BellSouth a termination fee of \$50.0 million which we call the Termination Fee, to terminate all agreements between the parties, and at BellSouth's option, to rescind all prior closings. If BellSouth elects to rescind the prior closings, payment of the Termination Fee shall be made by netting it against the amounts previously paid to BellSouth at the previous closings, and BellSouth shall return to us any amount which is in excess of the Termination Fee.

Sublease

Pursuant to the Letter Agreement, the parties fully and completely agreed upon the terms of the Sublease.

General. Pursuant to the terms of the Sublease, BellSouth has agreed to grant a lease to CCSI, pursuant to which CCSI will lease (or sublease) the land, tower and improvements which we call the Subleased Property at each site other than certain space reserved by BellSouth and space utilized by third parties under existing subleases. BellSouth has agreed to lease to CCSI all its sites in the Territory except where it is legally prohibited from doing so and except for sites that are specifically excluded from the Sublease. BellSouth expects that the number of sites available for sublease will be approximately 1,850. The sites constructed pursuant to the Build to Suit Agreement, as described below, will also be made part of and subject to the Sublease.

Pursuant to the Sublease, CCSI will be entitled to use the Subleased Property of each site for constructing, installing, operating, managing, maintaining and marketing the tower and improvements on each site, including leasing space to third party tenants. BellSouth has agreed to pay CCSI a site maintenance charge of \$1,200 per month per site, subject to an increase of five percent (5%) per year for the first ten (10) years following the applicable commencement date of the sublease on such site. If, after the tenth anniversary following each commencement date, the then current site maintenance charge is below the market rate, then such site maintenance charge will automatically be increased on such anniversary and each anniversary thereafter by the consumer price index ("CPI"). If the then site maintenance charge is above the market rate, then such site maintenance charge will be automatically reset at ninety percent (90%) of such agreed upon market rate and will increase on each following anniversary by the then current annual market rate of increase for comparable properties. CCSI has agreed to pay as rent to BellSouth the ground rents relating to each site that is leased by BellSouth, and rent of \$1.00 per year for sites that are owned by BellSouth. In addition, CCSI has agreed to sublease available space to any party to existing colocation agreements with BellSouth; provided that CCSI will receive all rents and other economic benefits from the parties to such colocation agreements.

Term. The term of the Sublease will be one hundred (100) years for sites owned by BellSouth and, for sites leased by BellSouth, one day less than the term of the underlying ground lease. CCSI will be responsible for negotiating and obtaining extensions or renewals of the ground leases. In

addition, if CCSI is able to acquire a fee simple interest in a site, CCSI has agreed to transfer such fee simple interest to BellSouth for \$1.00, in which event CCSI will pay no ground rent as of the date fee simple title vests in BellSouth.

Reserved Space. Under the Sublease, BellSouth has reserved space which we call the Reserved Space on each site. The Reserved Space generally relates to the portion of the site, including space on the tower, in use by BellSouth and its affiliates. In certain circumstances and subject to certain conditions described in the Sublease, BellSouth has the right to increase the number of antennas on its reserved space to twelve (12), without increasing the related site maintenance payment, on up to one hundred twenty (120) towers. BellSouth also has the right to substitute the Reserved Space for other available space on the tower, as well as a right of first refusal and right of substitution as to available space which CCSI intends to sublease to any third party.

If BellSouth ceases using its Reserved Space on a site and elects to assign, sublet or otherwise transfer the interest in the Reserved Space on such site, CCSI will have the right to, at any time, acquire BellSouth's interest in the applicable Reserved Space by paying to BellSouth consideration of (1) \$5,000 (subject to increase based on the CPI) plus (2) a grant to BellSouth of the right to receive up to thirty-five percent (35%) of all gross revenues payable to CCSI in respect of such Reserved Space.

BellSouth will have the right to put to CCSI its rights in its Reserved Space with respect to a site, and thereby add such space to the Sublease; provided that the number of sites subject to such a put right may not exceed the greater of one and one half percent (1 1/2%) or thirty (30) of the total sites. In such event, BellSouth will assign to CCSI all its rights in the Reserved Space on that site and will thereafter no longer be responsible for the related site maintenance charge.

Withdrawal Right. After the tenth anniversary of the first closing, BellSouth will have the right, subject to certain notice requirements, to withdraw its rights on any site. In such case, BellSouth will assign to CCSI all its rights, including the ground lease and any Reserved Space, with respect to any withdrawn site and shall no longer be responsible for the related site maintenance charge.

Termination. The Sublease may be terminated by each party in the event of certain breaches by the other party, including the failure to timely make required payments under the Sublease, breaches of covenants and other agreements in the Sublease, breaches of representations and warranties and insolvency. In the case of BellSouth's right to terminate, BellSouth may terminate the Sublease as to an applicable site following a breach (and failure to cure) relating to that particular site. BellSouth may terminate the entire Sublease upon the occurrence of unwaived defaults by CCSI in respect of more than fifty (50) sites during any consecutive five-year period.

Build to Suit Agreement

In connection with the Letter Agreement, BellSouth agreed to enter into the Build to Suit Agreement with us and CCSI pursuant to which CCSI will develop and construct all towers built in the Territory on behalf of BellSouth for a period of five years. If CCSI has not constructed at least 500 towers over the five year period following the signing of the Build to Suit Agreement, the term of the Build to Suit Agreement will be extended for up to an additional two years until such time as CCSI has constructed 500 towers. BellSouth will be required, pursuant to the Build to Suit Agreement, to submit to CCSI all proposals to develop and construct tower sites within the Territory until CCSI has completed construction of 500 towers. CCSI will be required to develop and construct tower sites in locations that satisfy BellSouth's engineering requirements. Upon substantial

completion of a tower site, the site will become subject to and part of the Sublease. The Build to Suit Agreement will provide that space not reserved by BellSouth on each tower will be available for lease by CCSI to third parties.

Site Maintenance Agreement

In connection with the Agreement to Sublease, the parties will enter into a Site Maintenance Agreement whereby CCSI will perform certain identified services at those sites in the Territory which are not leased or subleased to CCSI pursuant to the Sublease and which sites are designated by BellSouth for inclusion in the Site Maintenance Agreement. Pursuant to the Letter Agreement, we and BellSouth have agreed that BellSouth will pay to us a site maintenance fee of \$333.00 per site per month, increased annually by the CPI, for sites designated under the Site Maintenance Agreement. Further, the parties have agreed that the total number of sites to be covered by the Site Management Agreement will not exceed 100 sites.

Site Marketing Agreement

On March 25, 1998, we and BellSouth entered into the Site Marketing Agreement pursuant to which we market BellSouth's sites located in Kentucky. In connection with the Letter Agreement, we agreed to renew the Site Marketing Agreement, the term of which ended on February 15, 1999, and to extend the scope of the agreement to include the entire Territory.

Registration Rights Agreement

As a condition to the Letter Agreement, we have agreed to enter into a registration rights agreement whereby we will grant to BellSouth certain demand and piggyback registration rights in respect of shares of our common stock we pay to BellSouth as consideration for the Proposed BellSouth Transaction.

Proposed Powertel Acquisition

On March 15, 1999, we and CCP Inc., our wholly owned indirect subsidiary, entered into the Asset Purchase Agreement with Powertel, Inc. and five of its subsidiaries, which we refer to collectively as Powertel, pursuant to which the parties agreed that we would purchase from Powertel approximately 650 towers and related assets and liabilities.

We will pay to Powertel aggregate consideration of \$275.0 million, which we refer to below as the Purchase Price, (subject to adjustment based on the amount of towers actually tendered to us at closing) for the 650 towers. At closing, Powertel will pay us a credit against the purchase price in an aggregate amount of \$383,000.00, which we call the Purchase Price Credit, as consideration for our acceptance of certain towers containing site leases which may require revenue received from Powertel or its affiliates to be shared with the site lessors. We call the Purchase Price less the Purchase Price Credit, the Closing Price. Pursuant to the Asset Purchase Agreement, we have placed \$50.0 million in escrow to be applied to the Closing Price. In the event that Powertel has fulfilled all conditions precedent to closing and we are unable or unwilling to deliver the balance of the Closing Price, Powertel will receive up to the full \$50.0 million as liquidated damages. See"--Asset Purchase Agreement", "--Escrow Agreement" and "Risk Factors--We May Not Consummate the Proposed Transactions".

Pursuant to the Asset Purchase Agreement, at closing Powertel will assign and we will assume five master site agreements, which we call the Master Site Agreements, pursuant to which Powertel will agree to pay us monthly rent of \$1,800 per tower for continued use of space Powertel or its affiliates occupies on the towers. This per tower amount is subject to increase on each fifth anniversary of the agreement and as Powertel adds equipment to these towers.

Although the Proposed Powertel Acquisition is expected to be consummated on or before June 4, 1999, the Asset Purchase Agreement is subject to a number of significant conditions. There can be no assurance that the Proposed Powertel Acquisition will be consummated on the terms described in this document or at all. See "Risk Factors--We May Not Consummate the Proposed Transactions".

The following descriptions of the agreements related to the Proposed Powertel Acquisition are summaries of the material portions of those agreements. These descriptions are qualified in their entirety by reference to the complete text of the agreements, each of which is available as set forth under the heading "Available Information".

Asset Purchase Agreement

Purchase Price. Pursuant to the Asset Purchase Agreement, we will pay the Closing Price in cash on or before June 4, 1999, which we refer to as the Closing Date, to Powertel for Powertel's tower structures, rights to tower sites, related assets and rights under applicable governmental permits. The purchase price is subject to adjustment up or down based on the actual number of sites tendered at closing. The Asset Purchase Agreement provides that sites considered defective or incomplete, which we call "Rejected Sites", will not be tendered at closing, and consequently, the purchase price will be reduced by an amount equal to \$423,077 for each Rejected Site.

Terms and Conditions. In connection with the Proposed Powertel Acquisition, we and Powertel are making certain representations and warranties which must be true on the Closing Date in order for the transaction to be consummated. Other conditions which must be satisfied on the Closing Date include:

- . compliance by us and Powertel with the Asset Purchase Agreement;
- . absence of litigation;
- . receipt of regulatory approvals; and
- . absence of any material adverse effect with respect to the Powertel assets and assumed liabilities.

In addition, pursuant to the Asset Purchase Agreement, we have deposited \$50.0 million in cash, which we refer to as the Escrow Deposit, with SunTrust Bank Atlanta, which we refer to as the Escrow Agent. At closing, the Escrow Deposit will be delivered to Powertel and credited against the Closing Price. However, we have agreed that the Escrow Deposit will be forfeited to Powertel in the event that we are unable to receive adequate financing to consummate the acquisition and thus are unable to close the acquisition in a timely manner. As a condition to the Asset Purchase Agreement, we have agreed to use our reasonable best efforts to have a registration statement relating to such financing declared effective as expeditiously as possible. Further, upon the occurrence of certain events, we are required to provide Powertel with adequate written assurance that we have at least one alternative financing source, which in Powertel's sole judgment provides it assurance that we will have on hand a minimum of an additional \$225.0 million in cash to apply to the Purchase Price at closing. We refer to this as a Financing Assurance. Such Financing Assurance must be received by Powertel within five days of the occurrence of certain events including:

- . our failure to file the registration statement before March 19, 1999;
- . the withdrawal or abandonment of the registration statement or the decision not to proceed with the offerings;
- . our failure to commence presentations to institutional investors by May 15, 1999 or, after commencement of such presentations, termination or abandonment of such presentations and failure to proceed to pricing of the offerings.

In the event we are required to provide Powertel with a Financing Assurance, Powertel will have five days to accept or reject it. If Powertel rejects the Financing Assurance, we will have ten days from receipt of the rejection to deliver the \$225.0 million balance of the Closing Price to the Escrow Agent, who will deliver the entire Closing Price to Powertel at closing. However, if we are unable or unwilling to deliver the additional sum into escrow, Powertel will have the right to unilaterally terminate the Asset Purchase Agreement, and receive, as its sole remedy, from the Escrow Deposit liquidated damages in the amount of \$10.0 million on or prior to May 15, 1999 or \$25.0 million after May 15, 1999 but prior to June 4, 1999. If on June 4, 1999, Powertel has fulfilled all of its obligations and conditions precedent to closing in all material respects and has not defaulted or breached its obligations under the Asset Purchase Agreement, and we have failed to deliver the additional sum into escrow or are otherwise unable or unwilling to deliver the Purchase Price, Powertel will receive as liquidated damages the entire amount of the Escrow Deposit.

Master Site Agreement

On the Closing Date, the parties to the Asset Purchase Agreement and certain of Powertel's affiliates will enter into Master Site Agreements governing all towers acquired pursuant to the Asset Purchase Agreement. Pursuant to the Master Site Agreements, Powertel or certain affiliates will agree to continue to lease the space it currently occupies on the towers to be acquired by us. The monthly rent paid by Powertel for each tower will be \$1,800. Such monthly payment is subject to increase based on an agreed upon schedule if and when Powertel adds equipment to a site. Nonetheless, the monthly rent, including additional rents related to the addition of certain equipment, shall be increased on each fifth anniversary of the agreement up to an amount that is 115% of the rent paid during the preceding five year period. The Master Site Agreements provide that space not occupied by Powertel on the acquired towers can be leased to third parties at our sole option.

Pursuant to the Master Site Agreements, the term of each tower lease will be ten years. Powertel has the right to extend any site lease for up to three additional five year periods. Each site lease will automatically renew for an option term unless Powertel notifies us of its intent not to renew at least 180 days prior to the end of the then current term.

Proposed One2One Transaction

On March 5, 1999, we entered into an agreement, which we call the Framework Agreement, with One2One, pursuant to which CTI has agreed to manage, develop and, at its option, acquire up to 821 towers. These towers represent substantially all the towers in One2One's 1,800 MHz nationwide wireless network in the United Kingdom. Approximately one-half of these 821 towers can accommodate additional tenants. We expect to upgrade or replace the other towers as demand for space on such towers arises. We believe that the cost of upgrading or replacing any single tower will not exceed \$40,000.

CTI will be responsible for managing and leasing available space on the towers, and will receive all the income from any such third party leases. The term of the management arrangements will be up to 25 years. During the three-year period following the closing, CTI will have the right, at its option, to acquire for (Pounds)1.00 per site One2One's interest in the 821 towers, to the extent such interests can be assigned. One2One has also agreed to include as part of the Framework Agreement, including CTI's right to acquire sites during the three-year period, any new One2One towers constructed during the term of the agreement.

Framework Agreement

Terms and Conditions. The 821 existing towers will be managed by CTI pursuant to a management contract with an initial term of 10 years, which is extendable at CTI's option for an

additional 15 years. CTI will also assume all liabilities in connection with the 821 existing towers. During the three-year period following the closing, which we call the Option Period, One2One will assign to CTI, at CTI's option, One2One's interest in the sites on which the 821 existing towers are located. For sites where the underlying ground lease is not assignable, the management contract will continue in effect. CTI also has the right during the Option Period to assume ownership of any new One2One towers which are built by or for One2One during the Option Period.

Consideration. As consideration for the Framework Agreement, One2One will receive varying rent-free periods of site use depending on the type of tower site as follows:

- . The 821 existing towers. One2One will enter into a 25 year site sharing agreement with CTI permitting One2One to continue to occupy the 821 existing towers. This agreement will be rent-free until March 2007 (with a retroactive adjustment to April 1998). After the expiration of this initial period, One2One will pay to CTI an annually indexed rental fee (based on (Pounds)3,750.0 per site index adjusted from 1999) plus a further additional compensatory payment to CTI in the event that CTI is chosen as the contractor with respect to fewer than 250 new One2One sites. See "-- One2One ADC Contract".

- . New One2One sites. One2One will also enter into 25 year site sharing agreements with CTI to occupy all new One2One towers and pay CTI an annually indexed rental fee (based on (Pounds)4,000.0 per site index adjusted from 1999) after an initial rent-free period of fifteen years.

- . 166 CTI towers currently under lease by One2One. One2One currently occupies 166 CTI sites under a master lease agreement. This master lease will be modified to allow One2One to occupy these sites rent-free from April 1998 until March 2000.

The Framework Agreement is conditional upon the approvals of both One2One and CTI's board of directors and senior creditors.

One2One ADC Contract

In connection with the Framework Agreement, CTI entered into a separate contract with One2One, which we refer to as the ADC Contract, under which CTI will provide acquisition, design and construction services for up to 250 new One2One sites. If One2One requests CTI's services with respect to all 250 sites, CTI will be paid aggregate fees in excess of (Pounds)7.0 million. CTI also believes that some of the new sites will be new builds, which are known as greenfield sites, under the Framework Agreement, and thus CTI will be eligible to assume ownership of these greenfield sites following their construction, pursuant to the terms of the Framework Contract.

MANAGEMENT

Directors and Executive Officers

The following table sets forth certain information, as of March 1, 1999, with respect to persons who serve as directors or executive officers and other key personnel of the Company:

Name ----	Age ---	Positions with the Company -----
Ted B. Miller, Jr.....	47	Chief Executive Officer and Vice Chairman of the Board of Directors
David L. Ivy.....	52	President and Director
Charles C. Green, III..	52	Executive Vice President and Chief Financial Officer
John L. Gwyn.....	50	Executive Vice President
E. Blake Hawk.....	49	Executive Vice President and General Counsel
Wesley D. Cunningham...	39	Senior Vice President, Corporate Controller and Chief Accounting Officer
Edward W. Wallander....	41	Senior Vice President and Chief Information Officer
John P. Kelly.....	41	President and Chief Operating Officer of CCI
Alan Rees.....	55	Chief Operating Officer and Director of CTSH
George E. Reese.....	48	Chief Financial Officer, Secretary and Director of CTSH
Michel Azibert.....	43	Director
Bruno Chetaille.....	44	Director
Robert A. Crown.....	44	Director
Carl Ferenbach.....	56	Chairman of the Board of Directors
Randall A. Hack.....	51	Director
Robert F. McKenzie.....	55	Director
William A. Murphy.....	31	Director
Jeffrey H. Schutz.....	47	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, are classified into three classes of directors, denoted as Class I, Class II and Class III. Messrs. Ferenbach, Schutz and McKenzie are Class I directors. Messrs. Crown, Murphy and Ivy are Class II directors, and Messrs. Hack and Miller are 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 By-laws--Classified Board of Directors and Related Provisions". Messrs. Azibert and Chetaille were elected to the Board of Directors by the holders of the Class A common stock upon consummation of the Roll-Up.

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. Mr. Miller has been the Managing Director, Chief Executive Officer of CTI since February 1997 and has served as Chairman of the Board of CTI since August 1998. 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.

E. Blake Hawk has been Executive Vice President and General Counsel since February 1999. Mr. Hawk was an attorney with Brown, Parker & Leahy, LLP in Houston, Texas from 1980 to 1999 and became a partner with the firm in 1986. Mr. Hawk has been board certified in tax law by the Texas Board of Legal Specialization since 1984 and has been a Certified Public Accountant since 1976.

Wesley D. Cunningham has been a Senior Vice President of the Company since March 1999 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 oil field 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.

Edward W. Wallander has been Senior Vice President and Chief Information Officer of the Company since April 1998. From August 1990 to April 1998, Mr. Wallander worked for PNC Bank in various capacities including Senior Vice President and Chief Operating Officer of PNC Brokerage Corp. Prior to PNC Bank, Mr. Wallander was a commercial real estate lender for Mellon Bank, N.A. and a Certified Public Accountant for Ernst & Young, L.L.P.

John Kelly has been the President of CCI since December 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 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 has been a director of the Company since August 1998. 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 was elected as one of the two directors elected by the holders of the Class A Common Stock.

Bruno Chetaille has been as a director of the Company since August 1998. 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 was elected as one of the two directors elected by the holders of the Class A Common Stock.

Robert A. Crown founded Crown Communications in 1980 and was President from its inception until December 1998. Mr. Crown is Chairman of the Board of Crown Communication Inc. 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 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 five investment funds with approximately \$1.6 billion 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 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.

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 has been a director of the Company since August 1998. 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, composed of Messrs. Ferenbach, 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, composed of Messrs. Hack, 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, composed of Messrs. Azibert, Ferenbach, McKenzie and Miller, is responsible for nominating new Board members and for an annual review of Board performance. Pursuant to the Stockholders 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, 1998.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Number of Securities Underlying Options/ SARs (#)(a)	All Other Compensation (\$)
Ted B. Miller, Jr..... Chief Executive Officer and Vice Chairman of the Board of Directors	1998	\$325,000	\$300,000	3,013,000	\$ --
	1997	281,575	626,250	625,000	--
	1996	152,600	75,000	--	--
David L. Ivy..... President and Director	1998	\$225,000	\$150,000	1,455,000	\$ --
	1997	200,000	300,000	250,000	--
	1996	37,500(b)	--	175,000	35,000(c)
Charles C. Green, III Executive Vice President and Chief Financial Officer	1998	\$235,000	\$ 56,250	940,000	\$ --
	1997	75,000(d)	--	250,000	--
	1996	--	--	--	--
John L. Gwyn..... Executive Vice President	1998	\$185,000	\$131,250	250,000	\$ --
	1997	160,424(e)	--	225,000	--
	1996	--	--	--	--
Alan Rees..... Chief Operating Officer and Director of CTSH	1998	\$225,722(f)	\$ --	718,307	\$ --
	1997	225,722	84,646	--	--
	1996	--	--	--	--

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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. Rees began working for CTSH on February 28, 1997 at an annual salary of \$225,722.

Option/SAR Grants In Last Fiscal Year

Name	Individual Grants				Potential Realizable	
	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh)	Expiration Date	Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(a)	
					5% (\$)	10% (\$)

Ted B. Miller, Jr.....	700,000	5.2%	\$ 2.31	1/23/08		
	328,000	2.4	7.50	1/28/08		
	210,000	1.6	5.78	4/23/08		
	140,000	1.0	2.31	4/23/08		
	1,035,000	7.7	13.00	7/1/08		
	600,000	4.5	7.50	7/1/08		
David L. Ivy.....	280,000	2.1%	\$ 2.31	1/23/08		
	225,000	1.6	7.50	1/28/08		
	70,000	0.5	2.31	4/24/08		
	545,000	0.4	13.00	7/1/08		
	335,000	0.2	7.50	7/1/08		
Charles C. Green, III...	75,000	0.5%	\$ 7.50	1/28/08		
	350,000	2.5	7.50	7/1/08		
	515,000	3.8	13.00	7/1/08		
John L. Gwyn.....	40,000	0.3%	\$ 7.50	1/28/08		
	175,000	1.3	13.00	7/1/08		
	35,000	.2	7.50	7/1/08		
Alan Rees.....	116,666	0.9%	\$ 2.31	1/30/08		
	116,666	0.9	3.00	1/30/08		
	116,667	0.9	3.90	1/30/08		
	28,308	0.2	0.00	5/19/08		
	90,000	0.7	7.50	7/1/08		
	250,000	1.9	13.00	7/1/08		

(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, 1998 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.....	--	--	2,868,000(E)		\$	(E)
			1,115,000(U)			(U)
David L. Ivy.....	--	--	1,275,000(E)			(E)
			605,000(U)			(U)
Charles C. Green, III...	--	--	675,000(E)			(E)
			515,000(U)			(U)
John L. Gwyn.....	--	--	170,500(E)			(E)
			304,500(U)			(U)
Alan Rees.....	--	--	118,308(E)			(E)
			599,999(U)			(U)

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(a) The estimated value of exercised in-the-money stock options held at the end of 1998 assumes a per-share fair market value of \$ and per-share exercise prices of \$.40, \$2.40, \$4.20 and as applicable.

Severance Agreements

The Company has entered into severance agreements (the "Severance Agreements") with Messrs. Miller, Ivy, Green, Gwyn, Rees, Reese and Hawk (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

The Company and Mr. Crown have entered into a Memorandum of Understanding and a related Services Agreement. 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 expiring on December 9, 2000, 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. At the time of entering to the Memorandum of Understanding, 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 IPO, to grant Mr. Crown options to purchase 625,000 shares of common stock at the price to public in the IPO (\$13.00 per share).

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 or certificate; 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. A change in control generally accelerates the vesting of

options granted to employees and some of the options vest upon 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 (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 or certificate.

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 December 31, 1998, options to purchase a total of 13,082,220 shares of common stock have been granted. Options for 572,825 shares of common stock have been exercised, options for 282,750 shares have been forfeited and options for 12,226,645 shares remain outstanding. The outstanding options are for (i) 345,000 shares with an exercise price of \$0.40 per share, (ii) 43,750 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) 5,385 shares with an exercise price of \$3.09 per share, (vi) 5,385 shares with an exercise price of \$4.03 per share, (vii) 1,630,625 shares with an exercise price of \$4.20 per share, (viii) 23,135 shares with an exercise price of \$4.76 per share, (ix) 5,385 shares with an exercise price of \$5.24 per share, (x) 28,000 shares with an exercise price of \$5.97 per share; (xi) 107,200 shares with an exercise price of \$6.00 per share, (xii) 5,633,030 shares with an exercise price of \$7.50 per share, (xiii) 28,000 shares with an exercise price of \$7.77 per share, (xiv) 28,000 shares with an exercise price of \$10.08 per share, (xv) 75,000 shares with an exercise price of \$11.31 per share, (xvi) 75,000 shares with an exercise price of \$11.50 per share, (xvii) 125,000 shares with an exercise price of \$11.94 per share, (xviii) 253,750 shares with an exercise price of \$12.50 per share and (xix) 3,590,000 shares with an exercise price of \$13.00 per share. The options exercisable at \$0.40 per share are fully vested and held by Ted B. Miller, Jr. Vested and exercisable options also include options for (i) 43,750 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) 1,463,625 shares at \$4.20 per share, (v) 23,135 shares at \$4.76 per share, (vi) 107,200 shares at \$6.00 per share, (vii) 2,805,630 shares at \$7.50 per share, (viii) 128,750 shares at \$12.50 per share

and (ix) 90,000 shares at \$13.00 per share. 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) were included in the group of options which vested at the consummation of the initial public offering of common stock. 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".

Between January 1, 1998 and December 31, 1998, the Company granted to its executive officers and directors options for a total of 2,240,500 shares at an exercise price of \$7.50 and 3,235,000 shares at an exercise price of \$13.00 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. Rees received options for 90,000 shares, Mr. Crown received options for 137,500 shares and Mr. McKenzie received 25,000 shares, in each case at an exercise price of \$7.50 per share. Mr. Miller received options for 1,035,000 shares, Mr. Ivy received options for 545,000 shares, Mr. Green received options for 515,000 shares, Mr. Gwyn received options for 175,000 shares, Mr. Rees received options for 250,000 shares, Mr. Crown received options for 625,000 shares, Messrs. Ferencbach, Hack and Schutz each received options for 25,000 shares and Messrs. Azibert, Chetaille and Murphy each received options for 5,000 shares, in each case at an exercise price of \$13.00 per share.

The options granted include ISOs for 627,750 shares with an exercise price of \$7.50 per share. As of December 31, 1998, ISOs for 81,250 shares have been forfeited and none of the outstanding ISOs are exercisable.

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 in August 1998, all of the outstanding options to purchase shares of capital stock of CTSH ("CTSH Options") granted pursuant to the CTSH Stock Option Plans were 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 nine months ended September 30, 1998 are noncash compensation charges for (Pounds)2.5 million (\$4.2 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") are 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. At the time of the Roll-up there were outstanding options to purchase 285,250 shares of common stock at a price of \$2.37 per share, of which an initial refundable deposit of \$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. These options are vested in full and have converted into options to purchase 1,890,000 shares of the Company's common stock at an exercise price of (Pounds)1.43 and 210,000 shares of the Company's common stock at an exercise price of (Pounds)3.57. Upon the Roll-Up, the exercise prices were set in U.S. dollars at \$2.31 for the (Pounds)1.43 exercise price and \$5.96 for the (Pounds)3.57 exercise price.

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 former director of Crown Communication, and Crown Communication were party to a management consulting agreement beginning in October 1997 through January 1999. 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 has recorded a noncash compensation charge of \$0.3 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 connection with the acquisition by CCIC of Crown Communications Inc., 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 \$313,008, \$130,000 and \$50,000 for the years ended December 31, 1998, 1997 and 1996, 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. 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 was elected as a director of the Company in August 1998, acquired 50,000 shares of common stock from an existing stockholder of the Company for \$6.26 per share pursuant to a purchase right assigned to him by the Company. The Company recorded a noncash compensation charge of \$0.3 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 (\$665,120) 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.

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.

In connection with the financing arrangements relating to the Proposed BAM JV, the Company paid an aggregate of \$100,000 to Centennial Fund IV, L.P., Centennial Fund V, L.P. and Centennial Entrepreneurs Fund V, L.P.

The Company and Mr. Crown have entered into a Memorandum of Understanding and a related Services Agreement. Pursuant to the Services Agreement, Mr. Crown agreed to continue to serve in a consulting capacity to (and as Chairman of) CCI for a two-year period ending December 9, 2000, 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 the two-year period, the Company will pay Mr. Crown a severance benefit of \$300,000.

Agreements with TdF Related to the Roll-Up

Governance Agreement

On August 21, 1998, the Company TdF and DFI entered into a 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.

Super-Majority Voting Requirements

In general, until August 21, 2003, a super majority vote of the Company's Board of Directors is required for the Company or any of its subsidiaries to take any of the following actions:

- . amendments to the certificate of incorporation or by-laws;
- . acquisitions or investments of more than \$20.0 million;
- . dispositions for more than \$20.0 million;
- . significant strategic alliances;
- . the incurrence of debt unless certain leverage ratios have been met;
- . any transaction with a party to the Stockholders Agreement or any affiliate of the Company;

- . the issuance of any equity securities;
- . any transaction that would result in any person holding 50% or more of the Company's voting securities or equity interests;
- . any sale of all or substantially all of the Company's assets;
- . any action by the Company relating to its dissolution or bankruptcy; and
- . any amendments to the Company's Rights Plan.

TdF Veto Rights

In general, until August 21, 2003, TdF's consent will be required for the Company or any of its subsidiaries to take any of the following actions:

- .significant acquisitions or investments;
- . strategic alliances with certain third parties; and
- .significant dispositions.

In addition, until August 21, 2008, TdF's consent generally will be required for the Company or any of its subsidiaries to take any of the following actions:

- . amendments to the certificate of incorporation or by-laws;
- . the issuance of any new class of security or of additional shares of Class A Common Stock;
- . any transaction that would result in any person holding 50% or more of the Company's voting securities or equity interests;
- . any sale of all or substantially all of the Company's assets; and
- . the issuance to any person of equity securities representing 25% or more of the Company outstanding equity securities.

TdF Preemptive Rights

Except in certain circumstances, if we issue any equity securities (other than equity that is mandatorily exchangeable for debt, such as the Exchangeable Preferred Stock) to any person, including the equity offering and the Proposed BAM JV; we must offer TdF the right to purchase, at the same cash price and on the same other terms proposed, up to the amount of such equity securities as would be necessary for TdF and its affiliates to maintain their consolidated ownership percentage in us. See "Risk Factors".

TdF Standstill; Transfer Restrictions; Voting

TdF and its affiliates will not, without the prior written consent of the Board: (1) acquire beneficial ownership of any voting securities of the Company if their ownership interest would be greater than the Relevant Percentage; (2) propose that TdF or any of its affiliates enter into any business combination involving the Company; (3) make 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 super majority vote of the Board; (4) 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; (5) (A) solicit, seek to effect, negotiate with or provide nonpublic information to any other person with respect to or (B) otherwise make any public announcement or proposal 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; or (6) publicly disclose any intention, plan or arrangement, or provide advice or assistance to any person, inconsistent with the foregoing.

In general, if TdF or any of its affiliates seek to transfer 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 such voting securities for cash at the price at which they are to be transferred. These limitations do not apply to certain transactions including underwritten public offerings and sales under Rule 144.

Whenever TdF has the right to vote any voting securities of the Company and a "proxy-contest" exists or any proposal for the election of any member to the Board has received a negative vote, which in either case, had been recommended by a super majority vote of the Board, TdF has agreed to vote all of its voting securities of the Company in the manner recommended by a super majority vote of the Board.

The standstill, transfer restriction and voting provisions described above will cease to apply on or before August 21, 2003. In addition, the standstill and voting provisions will be suspended during any period from the date of the commencement by any person (other than TdF or any of its affiliates) of an unsolicited offer to the date of closing, abandonment or termination of all such offers (including any offer commence 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.

TdF CTSB Option

If (1) the Board overrides a veto by TdF of a business combination or (2) an unsolicited offer by any person (other than TdF or any of its affiliates) has commenced or occurred, TdF may elect (the "CTSB Option") to (x) acquire for cash all of the CTSB shares beneficially owned by the Company at their fair market value or (y) sell for cash to the Company all of the CTSB shares and warrants beneficially owned by TdF at their fair market value.

Immediately prior to the consummation of any business combination or unsolicited offer, TdF may require the Company to purchase one-half of the shares of Class A Common Stock held by TdF and its affiliates for cash at the offer price per share of common stock pursuant to the business combination or unsolicited offer.

Put and Call Rights

TdF Put Right. Until August 21, 2000, TdF has the right to require the Company (1) to purchase all (except for one CTSB Ordinary Share) of the CTSB Shares beneficially owned by TdF and its affiliates in exchange for shares of Class A Common Stock at the Exchange Ratio and (2) to issue in exchange for the TdF CTSB Warrants for a number of shares of Class A Common Stock at the Exchange Ratio and 100,000 shares of Class A Common Stock, subject to adjustment in certain circumstances.

Company Call Right. On August 21, 2000, unless the weighted average price per share of common stock over the five trading days immediately preceding August 21, 2000, is less than or equal to \$12 (as adjusted for any stock split or similar transaction), the Company has the right to require TdF to transfer and deliver to the Company all (except for one CTSB Ordinary Share) of the TdF CTSB Shares and the TdF CTSB Warrants beneficially owned by TdF and its affiliates in exchange for a number of shares of Class A Common Stock at the Exchange Ratio and 100,000 shares of Class A Common Stock, subject to adjustment in certain circumstances.

Stockholders Agreement

On August 21, 1998, the Company entered 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. Subject to certain exceptions, if a sale or transfer of shares of common stock or Class A Common Stock is made by a Stockholder to a third party, such shares will immediately cease to be subject to the Stockholders Agreement.

Governance

Board Representation. (i) So long as the TdF Group holds at least 5.0% of the Company's common stock, TdF will have the right to appoint one director and generally will have the right to appoint two directors; (ii) so long as Robert A. Crown, Barbara Crown, certain trusts established by them and their permitted transferees (the "Crown Group") has beneficial ownership of at least 555,555 shares of common stock, the Crown Group will have the right to elect one director (the "Crown Designee"); (iii) so long as Ted B. Miller, Jr. and his permitted transferees (the "Initial Stockholder Group") maintains an ownership interest, they will have the right to elect one director (the "Initial Stockholder Designee"); (iv) the Chief Executive Officer of the Company has the right to elect one 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%, the Centennial Group will have the right to elect one director (the "Centennial Designee"); (vi) so long as the ownership interest of the Berkshire Group is at least 5.0%, the Berkshire Group will have the right to elect one 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 IPO, the Nassau Group will have the right to elect one 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.

Voting of Shares. Each Stockholder has agreed to vote its shares in favor of the election of the persons nominated pursuant to the provisions described in "--Board Representation" above to serve the Board and 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; Tag Along Rights

Subject to certain limitations, the Stockholders have been granted piggy-back registration rights, demand registration rights, S-3 registration rights and tag-along rights with respect to their shares of common stock.

Subject to certain exceptions, 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 to a third party who is not an affiliate of any of the Initiating Stockholders, the other Stockholders would 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.

CTSH Shareholders' Agreement

On August 21, 1998, CCIC, TdF and CTSH entered 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 provides that the Board of CTSH shall 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. 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 super 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; issuance 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 (1) dividends payable in respect of CTSH's redeemable preferred shares and (2) 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 (1) entitle the BBC to terminate either of the BBC contracts, (2) subject CTSH to possible revocation of its licenses under the Telecommunications Act 1984 or the Wireless Telegraphy Acts 1949, 1968 and 1998 or (3) 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 (1) the second anniversary of the closing of the Roll-up, and (2) 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 and 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 (1) TdF has not exchanged

its shares pursuant to the Governance Agreement by the second anniversary of the closing of the Roll-Up, or (2) 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 (1) the second anniversary of the closing of the Roll-Up, or (2) 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 (1) by notice expiring on August 21, 2003, or (2) 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. Following

February 28, 2003, the CTI Services Agreement will be terminable on 12-month's prior notice given by CTI to TdF.

CTI Operating Agreement

The following 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 CTSI, to provide all or part of such services to the Company and its subsidiaries (other than CTI) in connection with the provision of broadcast transmission services.

PRINCIPAL AND SELLING STOCKHOLDERS

The table below sets forth certain information, as of March 1, 1999, with respect to the beneficial ownership of capital stock by (1) 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, (2) each of the directors and executive officers of the Company and all directors and executive officers as a group and (3) 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.

Executive Officers and Directors(a)	Title of Class	Shares Beneficially Owned Prior to the Equity Offering		Number of Shares Being Offered	Shares Beneficially Owned After the Equity Offering		Percentage of Total Voting Power After the Equity Offering(c)
		Number(b)	Percent		Number	Percent	
Ted B. Miller, Jr.....	Common Stock(d)	4,036,097	4.7				4.1
David L. Ivy.....	Common Stock(e)	1,395,000	1.7				1.5
Charles C. Green, III...	Common Stock(f)	675,000	*				*
John L. Gwyn.....	Common Stock(g)	173,000	*				*
John P. Kelly(h).....	Common Stock	--	--				--
E. Blake Hawk.....	Common Stock	--	--				--
Alan Rees(i).....	Common Stock(j)	188,308	*				*
Robert A. Crown(k).....	Common Stock(l)	5,782,500	7.0				6.1
Michel Azibert(m).....	Common Stock(n)	60,000	*				*
Bruno Chetaille(o).....	Common Stock(p)	10,000	*				*
Carl Ferenbach(q).....	Common Stock(r)	20,740,805	24.9				21.9
Randall A. Hack(s).....	Common Stock(t)	5,085,080	6.1				5.4
Robert F. McKenzie(u)...	Common Stock(v)	202,500	*				*
William A. Murphy(w)....	Common Stock(x)	10,000	*				*
Jeffrey H. Schutz(y)....	Common Stock(z)	9,842,040	11.8				10.4
Directors and Executive Officers as a group (15 persons total).....	Common Stock(aa)	48,200,330	58.5				51.5
Berkshire(bb)							
Berkshire Fund III, A Limited Partnership....	Common Stock(cc)	6,095,450	7.3				6.5
Berkshire Fund IV, Limited Partnership....	Common Stock(dd)	12,996,055	15.6				13.8
Berkshire Investors LLC.....	Common Stock(ee)	1,619,300	1.9				1.7
Candover(ff)							
Candover Investments, plc.....	Common Stock	2,329,318	2.8				2.5
Candover (Trustees) Limited.....	Common Stock	208,317	*				*
Candover Partners Limited.....	Common Stock	8,792,565	10.6				9.3
Centennial(gg)							
Centennial Fund IV, L.P.(hh).....	Common Stock	5,965,340	7.2				6.3
Centennial Fund V, L.P.(ii).....	Common Stock	3,731,285	4.5				3.9
Centennial Entrepreneurs Fund V, L.P.(jj).....	Common Stock	115,415	*				*
Nassau(kk)							
Nassau Capital Partners II, L.P.....	Common Stock (ll)	5,023,825	6.0				5.3
NAS Partners I, L.L.C....	Common Stock (mm)	31,255	*				*
Digital Future Investments B.V.(nn)	Class A Common Stock	11,340,000	100.0				12.0

* 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, 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.
- (d) Includes options for 2,868,000 shares of common stock. A trust for the benefit of Mr. Miller's children holds 99,995 shares of common stock.
- (e) Includes options for 1,275,000 shares of common stock.
- (f) Represents options for 675,000 shares of common stock.
- (g) Includes options for 170,500 shares of common stock.
- (h) Mr. Kelly's principal business address is c/o Crown Communication Inc., 375 Southpointe Blvd., Canonsburg, PA 19317.
- (i) Mr. Rees's principal business address is c/o Castle Transmission International Ltd., Warwick Technology Park, Heathcote Lane, Warwick CV346TN, United Kingdom.
- (j) Includes options for 118,308 shares of common stock.
- (k) Mr. Crown's principal business address is c/o Crown Communication Inc., 375 Southpointe Blvd., Canonsburg, PA 19317.
- (l) Includes 1,939,375 shares of common stock owned by Mr. Crown, 1,749,375 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.
- (m) 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.
- (n) Includes options for 10,000 shares of common stock.
- (o) 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.
- (p) Represents options for 10,000 shares of common stock.
- (q) Mr. Ferenbach's principal business address is c/o Berkshire Partners LLC, One Boston Place, Suite 3300, Boston, MA 02108.
- (r) Represents options for 30,000 shares of common stock and 20,710,805 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.
- (s) Mr. Hack's principal business address is c/o Nassau Capital LLC, 22 Chambers St., Princeton, NJ 08542.
- (t) Represents options for 30,000 shares of common stock and 5,055,080 shares of common stock beneficially owned by members of the Nassau Group. Mr. Hack disclaims beneficial ownership of such shares.
- (u) Mr. McKenzie's principal business address is P.O. Box 1133, 1496 Bruce Creek Road, Eagle, CO 81631.
- (v) Includes options for 109,375 shares of common stock.
- (w) Mr. Murphy's principal business address is c/o Salomon Smith Barney, Victoria Plaza, 111 Buckingham Palace Road, London, England.
- (x) Represents options for 10,000 shares of common stock.
- (y) 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.
- (z) Represents options for 30,000 shares of common stock and 9,812,040 shares of common stock beneficially owned by members of the Centennial Group. Mr. Schutz disclaims beneficial ownership of such shares.
- (aa) Includes options for 5,523,683 shares of common stock and warrants for 120,000 shares of common stock.
- (bb) Berkshire Group has approximately 22.0% 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 02108-401.
- (cc) Includes warrants for 35,935 shares of common stock.
- (dd) Includes warrants for 29,255 shares of common stock.
- (ee) Includes warrants for 4,810 shares of common stock.

- (ff) Candover Group has approximately 12.0% 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.
- (gg) Centennial Fund IV, Centennial Fund V and Centennial Entrepreneurs Fund collectively have had approximately 10.4% of the total voting power of common stock.
- (hh) 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.
- (ii) 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 principal business address of Centennial Fund V and Holdings V is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
- (jj) 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 principal business address of Centennial Entrepreneurs V is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
- (kk) Nassau Group has approximately 5.3% 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.
- (ll) Includes warrants for 49,690 shares of common stock.
- (mm) Includes warrants for 310 shares of common stock.
- (nn) Digital Future Investments B.V. is an affiliate of TeleDiffusion de France International S.A. TdF will retains ownership of 20% of the shares of capital stock of CTSH. Pursuant to the Share Exchange Agreement and subject to certain conditions, TdF has 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 12.0% of the total voting power of common stock. Combined, TdF and DFI would have 25.7% 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 Certificate of Designations, the By-laws, the Governance Agreement, the CTSB Shareholders Agreement and the Stockholders' Agreement, and to the applicable provisions of the Delaware General Corporation Law (the "DGCL").

General

The authorized capital stock of the Company consists of 600,000,000 shares of common stock, par value \$.01 per share), 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. There are 94,905,902 shares of common stock outstanding, 11,340,000 shares of Class A Common Stock outstanding, and 201,063 shares of 12 3/4% Senior Exchangeable Preferred Stock due 2010.

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 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 IPO) 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. See "Risk Factors--Anti-Takeover Provisions".

Senior Exchangeable Preferred Stock

Exchangeable Preferred Stock

Each share of Exchangeable Preferred Stock has a liquidation preference of \$1,000 per share and is exchangeable, at the option of the Company, in whole but not in part, for its 12 3/4% Senior Subordinated Exchange Debentures due 2010.

Voting Rights

The shares of Exchangeable Preferred Stock have no voting rights, except as required by law and as specified in the Certificate of Designations. In the event that the Company fails to meet its obligations under the Certificate of Designations, the holders of the Exchangeable Preferred Stock will be entitled to elect two additional members to the Board of Directors.

Dividends

Dividends are paid on each March 15, June 15, September 15 and December 15 commencing March 15, 1999, at an annual fixed rate of 12 3/4%. On or before December 15, 2003, the Company has the option to pay dividends in cash or in additional fully paid and non-assessable shares of Exchangeable Preferred Stock having an aggregate liquidation preference equal to the amount of such dividends. After December 15, 2003, dividends will be paid only in cash.

Mandatory Redemption

The Company is required to redeem all of the shares of Exchangeable Preferred Stock outstanding on December 15, 2010 at a redemption price equal to 100% of the liquidation preference of such shares, plus accumulated and unpaid dividends to the date of redemption.

Optional Redemption

On or after December 15, 2003, the Company may redeem some or all of the shares of Exchangeable Preferred Stock at any time at certain specified redemption prices. In addition, before December 15, 2001, the Company may redeem up to 35% of the Exchangeable Preferred Stock with the proceeds of certain public equity offerings or strategic equity investments at a redemption price equal to 112.750% of the liquidation preference of the Exchangeable Preferred Stock, together with accumulated and unpaid dividends.

Change of Control

If the Company experiences specific kinds of changes in control, it will be required to make an offer to purchase any and all shares of Exchangeable Preferred Stock at a purchase price of 101% of the liquidation preference of such shares together with all accumulated and unpaid dividends.

Certain Covenants

The Exchangeable Preferred Stock was issued under a Certificate of Designations that became part of the Company's Certificate of Incorporation. The Certificate of Designations contains certain covenants that, among other things, limit our ability and the ability of certain of the Company's subsidiaries to borrow money; pay dividends on stock or purchase capital stock; make investments and sell assets or merge with or into other companies.

Ranking

The Exchangeable Preferred Stock ranks (1) senior to all other classes of capital stock of the Company established after the issue date of the Exchangeable Preferred Stock that do not expressly provide that they rank on a parity with the Exchangeable Preferred Stock as to dividends and distributions upon the liquidation, winding up and dissolution of the Company and (2) on a parity with any class of capital stock established after the date of issuance of the Exchangeable Preferred Stock the terms of which provide that such class or series will rank on a parity with the Exchangeable Preferred Stock as to dividends and distributions upon the liquidation, winding up and dissolution of the Company.

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.

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 IPO (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 than 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 IPO.

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 March 1, 1999, CCI and its subsidiaries had unused borrowing availability under the Senior Credit Facility of \$54.0 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 Notes 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 March 1, 1999, CTI and its subsidiaries had unused borrowing availability under the CTI Credit Facility of approximately (Pounds)24.0 million (\$39.9 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 10 5/8% 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 "10 5/8% Notes"). The following is a summary of certain terms of the 10 5/8% Notes and is qualified in its entirety by reference to the indenture governing the 10 5/8% Notes (the "10 5/8% Notes Indenture") relating to the 10 5/8% Notes. A copy of the 10 5/8 Notes Indenture has been filed with the Registration Statement of which this prospectus forms a part.

The 10 5/8% 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 10 5/8% Notes mature on November 15, 2007. The 10 5/8% Notes will accrete in value until November 15, 2002. Thereafter, cash interest will accrue on the 10 5/8% 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 10 5/8% Notes are not redeemable prior to November 15, 2002. Thereafter, the 10 5/8% 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 10 5/8% Notes at a redemption price equal to 110.625% of the accreted value of the 10 5/8% 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 10 5/8% Notes remains outstanding after each such redemption.

Upon the occurrence of a Change of Control (as defined in the 10 5/8% Notes Indenture), each holder of Notes has the right to require the Company to purchase all or a portion of such holder's 10 5/8% 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 10 5/8% Notes 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 CTI 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.

Proposed BAM JV Credit Facility

Key Corporate Capital Inc. ("KeyCorp") has committed, subject to formation of the joint venture and certain other conditions, to provide the Proposed BAM JV with a revolving credit facility not to exceed \$250.0 million. The following summary of certain provisions of the proposed loan facility (the "Proposed BAM JV 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 Proposed BAM JV Credit Facility.

The Proposed BAM JV Credit Facility provides for revolving credit loans in an aggregate principal amount not to exceed \$250.0 million, \$180.0 million of which is expected to be drawn in connection with the formation of the Proposed BAM JV, and the balance of which will be used for acquisition and construction of tower facilities, capital expenditures, working capital needs and general corporate purposes. The borrowing base until September 30, 2001, is based on a multiple of test operating cash flow. On September 30, 2001 (the "Conversion Date"), the borrowing base test will be eliminated and the amount of the facility will be decreased to the borrowing base as of that date. The Proposed BAM JV Credit Facility includes a \$25.0 million sublimit available for the issuance of letters of credit.

The amount of the facility after the Conversion Date will be reduced on a quarterly basis until March 31, 2006, when the Proposed BAM JV Credit Facility matures. The annual percentage reduction in this loan commitment is 3.0% in 2001 (two quarters), 7.5% in 2002, 22.5% in 2003, 26.0% in 2004, 32.0% in 2005 and 9.0% in 2006 (one quarter). In addition, the Proposed BAM JV Credit Facility provides for mandatory reduction of the loan commitment and mandatory prepayment

with the (1) net proceeds of certain asset sales, (2) 50% of capital contributions to Holdco subject to certain significant exceptions including capital expenditures pursuant to the Build-to-Suit Agreement, (3) net proceeds of any unused insurance proceeds and (4) a percentage of the excess cash flow of the Proposed BAM JV, commencing with the calendar year ending December 31, 2001.

The Proposed BAM JV's obligations under the Proposed BAM JV Credit Facility are secured by (1) a pledge of the membership interest in the Proposed BAM JV and (2) a perfected first priority security interest in the Proposed BAM JV's interest in tenant leases including the Global Lease. The Proposed BAM JV Credit Facility contractually permits the Proposed BAM JV to pay maintenance, operating, ground lease and other expenses and costs relating to the tower facilities out of the tower rentals whether or not an event of default has occurred.

The loans under the Proposed BAM JV Credit Facility will bear interest, at the Proposed BAM JV's option, at either (A) a "base rate" equal to KeyCorp's prime lending rate plus an applicable spread ranging from 0% to 1.25% (determined based on a leverage ratio) or (B) a "LIBOR rate" plus an applicable spread ranging from 1.0% to 2.875% (determined based on a leverage ratio). The Proposed BAM JV must hedge approximately 50% of its variable interest rate obligations for a period of two years. Following the occurrence of and during the continuance of an event of default under the Proposed BAM JV Credit Facility, the loans will bear interest at the "base rate" plus 4.875%.

The Proposed BAM JV Credit Facility will contain a number of covenants that, among other things, restrict the ability of the Proposed BAM JV 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 company activities. In addition, the Proposed BAM JV Credit Facility will require compliance with certain financial covenants, including requiring the Proposed BAM JV to maintain a minimum ratio of operating cash flow to indebtedness, 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. The Proposed BAM JV does not expect that such covenants will materially impact its ability to operate its business.

The Proposed BAM JV 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 Proposed BAM JV 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 (including the Formation Agreement) for a period of days, default in certain other indebtedness, certain insolvency events and certain change of control events. During the first two years of the Proposed BAM JV Credit Facility, capital contributions can cure an operating cash flow default and certain other covenant and agreement defaults.

CCIC Term Loan Facility

Pursuant to a Term Loan Agreement dated as of March 15, 1999, the Company has entered into a credit facility (the "Term Loan Facility") with a group of banks and other financial institutions led by Goldman Sachs Credit Partners L.P., Salomon Brothers Holding Company Inc. and Credit Suisse First Boston. As of March 16, 1999, the Company had borrowed \$100.0 million under the Term Loan Facility to fund or refinance its escrow payments made in connection with the Proposed Powertel Acquisition and the Proposed BellSouth Transaction. The following summary of the Term Loan Facility does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Term Loan Facility.

The Term Loan Facility provides for term loans in an aggregate principal amount not to exceed \$100.0 million. The loans under the Term Loan Facility mature on November 30, 2007 and bear interest at an increasing rate based on LIBOR as set forth in the Term Loan Agreement, but in no event shall the interest on such loans exceed 16%. At any time the Company may, at its option, prepay the term loans without penalty or premium. Subject to limited exceptions, the Term Loan Facility requires the Company to prepay the loans without penalty or premium with the proceeds of (1) any offering of debt or equity securities, (2) the incurrence of other debt (other than debt under the Senior Credit Facility), (3) asset sales for cash consideration, or with a fair market value, in excess of \$1.0 million, (4) any recovery of amounts deposited in escrow in connection with the Proposed Powertel Acquisition and the Proposed BellSouth Transaction and (5) amounts reserved for the Proposed BAM JV if the Formation Agreement expires or is otherwise terminated.

The Term Loan Agreement contains covenants substantially identical to the covenants contained in the Company's 10 5/8% Notes. At any time on or after March 16, 2000, the lenders under the Term Loan Agreement may exchange their term loans for an equal aggregate principal amount of the Company's Senior Exchange Notes due 2007. These exchange notes will be issued pursuant to an indenture dated as of March 15, 1999, between the Company and United States Trust Company of New York, as trustee. These exchange notes will have the same maturity as the term loans and will bear interest at the rate in effect with respect to the term loans on the date of exchange. The covenants contained in the exchange note indenture will be substantially identical to the covenants contained in the certificate of designations governing the Company's 12 3/4% Senior Exchangeable Preferred Stock due 2011, with additional covenants restricting the incurrence of liens and sale-leaseback transactions.

[D] DESCRIPTION OF THE NOTES

General

You can find the definitions of certain terms used in the following summary under the subheading "Certain Definitions." In this summary, the word "Company" refers only to Crown Castle International Corp. and not to any of its Subsidiaries.

The Company will issue the notes under an Indenture (the "Indenture") between itself and United States Trust Company of New York, as trustee. The terms of the notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. We urge you to read the Indenture, because it, and not this description, define your rights as holders of the notes. A copy of the proposed form of Indenture has been filed as an exhibit to the registration statement which includes this prospectus and is available as set forth below under "--Additional Information."

These notes:

(1) are general obligations of the Company;

(2) are unsecured;

(3) are pari passu in right of payment with all future unsecured senior Indebtedness of the Company.

The operations of the Company are conducted through its Subsidiaries and, therefore, the Company depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the notes. The Company's Subsidiaries will not be guarantors of the notes and the notes will be effectively subordinated to all Indebtedness (including all borrowings under the Senior Credit Facility, the CTI Credit Facility and the CTI Bonds) and other liabilities and commitments (including trade payables and lease obligations) of the Company's Subsidiaries. Any right of the Company to receive assets of any of its Subsidiaries upon the latter's liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the Company is itself recognized as a creditor of such Subsidiary, in which case the claims of the Company would still be subordinate in right of payment to any security in the assets of such Subsidiary and any indebtedness of such Subsidiary senior to that held by the Company. As of December 31, 1998, after giving pro forma effect to the Proposed Transactions, the Company's Subsidiaries would have had \$441.6 million of Indebtedness outstanding, and would have had \$77.6 million and \$51.2 million of unused borrowing availability, respectively, under the Senior Credit Facility and the CTI Credit Facility. The provisions of the Senior Credit Facility, the CTI Credit Facility and the CTI Bonds contain substantial restrictions on the ability of such Subsidiaries to dividend or distribute cash flow or assets to the Company. See "Risk Factors--Holding Company Structure; Restrictions on Access to Cash Flow of Subsidiaries" and "Description of the Senior Credit Facility."

As of the date of the Indenture, all of the Company's Subsidiaries other than (1) CTSI and its subsidiaries and (2) Crown Castle Investment Corp. and Crown Castle Investment Corp. II and their subsidiaries, through which the Company intends to hold its interest in the Proposed BAM JV, will be Restricted Subsidiaries. However, under certain circumstances, the Company will be able to designate current or future Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to many of the restrictive covenants set forth in the Indenture.

Principal, Maturity and Interest

The notes will be limited in aggregate principal amount at maturity to \$ million and will mature on , 2011. The notes are being offered at a substantial discount from their principal amount at maturity. See "Certain United States Federal Income Tax Considerations--U.S. Holders--Interest and Original Issue Discount." Until , 2004, no interest will accrue, but the Accreted Value will accrete (representing the amortization of original issue discount) between the date of original issuance and , 2004, on a semiannual bond equivalent basis using a 360-day year comprised of twelve 30-day months such that the Accreted Value shall be equal to the full principal amount of the notes on , 2004 (the "Full Accretion Date"). The initial Accreted Value per \$1,000 in principal amount of notes will be \$300.0 million (representing the original price at which notes are being offered in the debt offering). Beginning on , 2004, interest on the notes will accrue at the rate of % per annum and will be payable in U.S. dollars semiannually in arrears on and , commencing on , 2004, to holders of record on the immediately preceding and . Holders of record on such record dates will become irrevocably entitled to receive accrued interest, in respect of the interest period during which such record date occurs as of the close of business on such record date. Interest on the notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Full Accretion Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Principal, premium, if any, and interest on the notes will be payable at the office or agency of the Company maintained for such purpose within the City and State of New York or, at the option of the Company, payment of interest may be made by check mailed to the holders of the notes at their respective addresses set forth in the register of holders of notes; provided that all payments of principal, premium and interest with respect to notes the holders of which have given wire transfer instructions to the Company will be required to be made by wire transfer of immediately available funds to the accounts in the United States specified by those holders. Until otherwise designated by the Company, the Company's office or agency in New York will be the office of the trustee maintained for such purpose. The notes will be issued in denominations of \$1,000 and integral multiples thereof.

Optional Redemption

Except as described below, the notes will not be redeemable at the Company's option prior to , 2004. Thereafter, the notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Percentage
----	-----
2004.....	%
2005.....	%
2006.....	%
2007 and thereafter.....	100.000%

During the first 36 months after the date of original issuance of the notes, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount at maturity of notes originally issued at a redemption price of % of the Accreted Value thereof on the redemption date with the net cash proceeds of one or more Public Equity Offerings and/or Strategic Equity Investments; provided that at least 65% of the aggregate principal amount at maturity of notes originally issued remains outstanding immediately after the occurrence of such redemption (excluding

notes held by the Company or any of its Subsidiaries); and provided, further, that such redemption shall occur within 60 days of the date of the closing of such Public Equity Offering and/or Strategic Equity Investment.

Selection and Notice

If less than all of the notes are to be redeemed at any time, selection of notes for redemption will be made by the trustee in compliance with the requirements of the principal national securities exchange, if any, on which the notes are listed, or, if the notes are not so listed, on a pro rata basis, by lot or by such method as the trustee shall deem fair and appropriate; provided that no notes of \$1,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address. Notices of redemption may not be conditional. If any note is to be redeemed in part only, the notice of redemption that relates to such note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption.

Mandatory Redemption

The Company is not required to make mandatory redemption or sinking fund payments with respect to the notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of notes will have the right to require the Company to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such holder's notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest thereon, if any (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), to the date of purchase or, in the case of repurchases of notes prior to the Full Accretion Date, at a purchase price equal to 101% of the Accreted Value thereof on the date of repurchase, to such date of repurchase (the "Change of Control Payment"). Within 30 days following any Change of Control, the Company will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"), pursuant to the procedures required by the Indenture and described in such notice.

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the trustee the notes so accepted together with an Officers' Certificate stating the aggregate principal amount of notes or portions thereof being purchased by the Company.

The paying agent will promptly mail to each holder of notes so tendered the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each such new note will be in a principal amount of \$1,000 or an integral multiple thereof.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations applicable to any Change of Control Offer. To the extent that the provisions of any such securities laws or securities regulations conflict with the provisions of the covenant described above, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the covenant described above by virtue thereof.

The Change of Control purchase feature is a result of negotiations between the Company and the Initial Purchasers. Management has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Company would decide to do so in the future. Subject to the limitations discussed below, the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Company's capital structure. Restrictions on the ability of the Company to incur additional Indebtedness are contained in the covenants described under "--Certain Covenants--Incurrence of Indebtedness and Issuance of Preferred Stock," "--Certain Covenants--Liens" and "--Certain Covenants--Sale and Leaseback Transactions." Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford holders of the notes protection in the event of certain highly leveraged transactions.

The Senior Credit Facility limits the Company's access to the cash flow of its Subsidiaries and will, therefore, restrict the Company's ability to purchase any notes. The Senior Credit Facility also provides that the occurrence of certain change of control events with respect to the Company constitute a default thereunder. In the event that a Change of Control occurs at a time when the Company's Subsidiaries are prohibited from making distributions to the Company to purchase notes, the Company could cause its Subsidiaries to seek the consent of the lenders under the Senior Credit Facility to allow such distributions or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited from purchasing notes. In such case, the Company's failure to purchase tendered notes would constitute an Event of Default under the Indenture which would, in turn, constitute a default under the Senior Credit Facility. Future indebtedness of the Company and its Subsidiaries may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Company to repurchase the notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. Finally, the Company's ability to pay cash to the holders of notes following the occurrence of a Change of Control may be limited by the Company's then existing financial resources, including its ability to access the cash flow of its Subsidiaries. See "Risk Factors--Repurchase of the notes Upon a Change of Control" and "Risk Factors--Holding Company Structure; Restrictions on Access to Cash Flow of Subsidiaries." There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all notes validly tendered and not withdrawn under such Change of Control Offer. The provisions under the Indenture relative to the Company's obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the notes then outstanding.

The definition of Change of Control includes a phrase relating to the sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Company to repurchase such notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the trustee) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) except in the case of a Tower Asset Exchange, at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents; provided that the amount of:

(a) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet), of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes or any guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 20 days of the applicable Asset Sale (to the extent of the cash received), shall be deemed to be cash for purposes of this provision.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company or the applicable Restricted Subsidiary may apply such Net Proceeds to:

(1) reduce Indebtedness under a Credit Facility;

(2) reduce other Indebtedness of any of the Company's Restricted Subsidiaries;

(3) the acquisition of all or substantially all the assets of a Permitted Business;

(4) the acquisition of Voting Stock of a Permitted Business from a Person that is not a Subsidiary of the Company; provided, that, after giving effect thereto, the Company or its Restricted Subsidiary owns a majority of such Voting Stock; or

(5) the making of a capital expenditure or the acquisition of other long-term assets that are used or useful in a Permitted Business.

Pending the final application of any such Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by the Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds \$5.0 million, the Company will be required to make an offer to all holders of notes and all holders of other senior Indebtedness of the Company containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (an "Asset Sale Offer") to purchase the maximum principal amount (or accreted value, as applicable) of notes and such other senior Indebtedness of the Company that may be purchased out of the Excess Proceeds. The offer price for the notes will be payable in cash and will be 100% of the principal amount of any notes purchased after the Full Accretion Date, plus accrued interest to the date of purchase, and 100% of the Accreted Value of any notes purchased prior to the Full Accretion Date. In the case of any such other senior Indebtedness, the offer price will be 100% of the principal amount (or accreted value, as applicable) thereof plus accrued and unpaid interest thereon, if any, to the date of purchase. Each Asset Sale Offer will be made in accordance with the procedures set forth in the Indenture and such other senior Indebtedness of the Company. To the extent that any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of notes and such other senior Indebtedness of the Company tendered into such Asset Sale Offer surrendered by holders thereof exceeds the amount of Excess Proceeds, the trustee shall select the notes and such other senior Indebtedness to be purchased on a pro rata basis. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

Certain Covenants

Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company (other than any such Equity Interests owned by the Company or any Restricted Subsidiary of the Company);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the notes, except a payment of interest or principal at Stated Maturity; or

(4) make any Restricted Investment, (all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "Restricted Payments"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default shall have occurred and be continuing or would occur as a consequence thereof; and

(2) the Company would have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt to Adjusted Consolidated Cash Flow Ratio test set forth in the first paragraph of the covenant described below under the caption "--Incurrence of Indebtedness and Issuance of Preferred Stock"; provided that the Company and its Restricted Subsidiaries will not be required to comply with this clause (2) in order to make any Restricted Investment; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of the Indenture (excluding Restricted Payments permitted by clauses (2), (3) and (4) of the next succeeding paragraph), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

(b) 100% of the aggregate net cash proceeds received by the Company since the IPO Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock and except to the extent such net cash proceeds are used to incur new Indebtedness outstanding pursuant to clause (11) of the second paragraph of the covenant described below under the caption "Incurrence of Indebtedness and Issuance of Preferred Stock") or from the issue or sale of Disqualified Stock or debt securities of the Company that have been converted into such Equity Interests (other than Equity Interests (or Disqualified Stock or convertible debt securities) sold to a Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock); plus

(c) to the extent that any Restricted Investment that was made after the date of the Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (A) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (B) the initial amount of such Restricted Investment; plus

(d) to the extent that any Unrestricted Subsidiary of the Company and all of its Subsidiaries are designated as Restricted Subsidiaries after the date of the Indenture, the lesser of (A) the fair market value of the Company's Investments in such Subsidiaries as of the date of such designation, or (B) the sum of (x) the fair market value of the Company's Investments in such Subsidiaries as of the date on which such Subsidiaries were originally designated as Unrestricted Subsidiaries and (y) the amount of any Investments made in such Subsidiaries subsequent to such designation (and treated as Restricted Payments) by the Company or any Restricted Subsidiary; provided that:

(i) in the event the Unrestricted Subsidiaries designated as Restricted Subsidiaries are CTSB and its Subsidiaries, the references in clauses (A) and (B) of this clause (d) to fair market value of the Company's Investments in such Subsidiaries shall mean the amount by which the fair market value of all such Investments exceeds 34.3% of the fair market value of CTSB and its Subsidiaries as a whole; and

(ii) in the event the Unrestricted Subsidiaries designated as Restricted Subsidiaries are CCAIC and its Subsidiaries, the references in clauses (A) and (B) of this clause (d)

to fair market value of the Company's Investments in such Subsidiaries shall mean the amount by which the fair market value of all such Investments exceeds \$250.0 million; plus

(e) 50% of any dividends received by the Company or a Restricted Subsidiary after the date of the Indenture from an Unrestricted Subsidiary of the Company, to the extent that such dividends were not otherwise included in Consolidated Net Income of the Company for such period.

The foregoing provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of the Indenture;

(2) the making of any Investment or the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the net cash proceeds from the sale since the IPO Date (other than to a Subsidiary of the Company) of, any Equity Interests of the Company (other than any Disqualified Stock); provided that such net cash proceeds are not used to incur new Indebtedness pursuant to clause (11) of the second paragraph of the covenant described below under the caption "-- Incurrence of Indebtedness and Issuance of Preferred Stock"; and provided further that, in each such case, the amount of any such net cash proceeds that are so utilized shall be excluded from clause (3)(b) of the preceding paragraph;

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness with the net cash proceeds form an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a pro rata basis; or

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any member of the Company's (or any of its Restricted Subsidiaries') management pursuant to any management equity subscription agreement or stock option agreement in effect as of the date of the Indenture; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed (a) \$500,000 in any twelve-month period and (b) \$5.0 million in the aggregate.

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause a Default. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under the first paragraph of this covenant. All such outstanding Investments will be deemed to constitute Investments in an amount equal to the fair market value of such Investments at the time of such designation. Such designation will only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary if such designation would not cause a Default.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the applicable Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any property, assets or Investments required by this covenant to

be determined shall be determined by the Board of Directors whose resolution with respect thereto shall be delivered to the trustee.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt) and that the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; provided that the Company may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock and the Company's Restricted Subsidiaries may incur Indebtedness if, in each case, the Company's Debt to Adjusted Consolidated Cash Flow Ratio at the time of incurrence of such Indebtedness or the issuance of such Disqualified Stock, 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 quarter period of the Company for which internal financial statements are available, would have been no greater than 7.5 to 1.

The provisions of the first paragraph of this covenant will not apply to the incurrence of any of the following items of Indebtedness or to the issuance of any of the following items of Disqualified Stock or preferred stock (collectively, "Permitted Debt"):

(1) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness (including Indebtedness under Credit Facilities) in an aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) at any one time outstanding not to exceed the greater of (x) \$200.0 million less the aggregate amount of all Net Proceeds of Asset Sales applied to repay Indebtedness under a Credit Facility pursuant to the covenant described above under the caption "--Repurchase at the Option of Holders--Asset Sales" and (y) 70% of the Eligible Receivables that are outstanding as of such date of incurrence;

(2) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence by the Company of the Indebtedness represented by the notes;

(4) the incurrence by the Company of Indebtedness represented by the 12% Senior Subordinated Exchange Debentures due 2011;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (5), not to exceed \$10.0 million at any one time outstanding;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund Indebtedness of the Company or any of its Restricted Subsidiaries or Disqualified Stock of the Company (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph hereof or clauses (2), (3), (4), (5) or this clause (6) of this paragraph;

(7) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; provided, however, that (i) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the notes and that (A) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary and (B) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(8) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of the Indenture to be outstanding or currency exchange risk;

(9) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of the Indenture;

(10) the incurrence by the Company or any of its Restricted Subsidiaries of Acquired Debt in connection with the acquisition of assets or a new Subsidiary and the incurrence by the Company's Restricted Subsidiaries of Indebtedness as a result of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; provided that, in the case of any such incurrence of Acquired Debt, such Acquired Debt was incurred by the prior owner of such assets or such Restricted Subsidiary prior to such acquisition by the Company or one of its Restricted Subsidiaries and was not incurred in connection with, or in contemplation of, such acquisition by the Company or one of its Restricted Subsidiaries; and provided further that, in the case of any incurrence pursuant to this clause (10), as a result of such acquisition by the Company or one of its Restricted Subsidiaries, the Company's Debt to Adjusted Consolidated Cash Flow Ratio at the time of incurrence of such Acquired Debt, after giving pro forma effect to such incurrence as if the same had occurred at the beginning of the most recently ended four full fiscal quarter period of the Company for which internal financial statements are available, would have been less than the Company's Debt to Adjusted Consolidated Cash Flow Ratio for the same period without giving pro forma effect to such incurrence;

(11) the incurrence by the Company of Indebtedness not to exceed, at any one time outstanding, the sum of (i) 2.0 times the aggregate net cash proceeds plus (ii) 1.0 times the fair market value of non-cash proceeds (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the trustee), in each case, from the issuance and sale, other than to a Subsidiary, of Equity Interests (other than Disqualified Stock) of the Company since the IPO Date (less the amount of such proceeds used to make Restricted Payments as provided in clause (c)(ii) of the first paragraph or clause (2) of the second paragraph of the covenant described above under the caption "--Restricted Payments"); provided that such Indebtedness does not mature prior to the Stated Maturity of the notes and the Weighted Average Life to Maturity of such Indebtedness is longer than that of the notes; and

(12) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness and/or the issuance by the Company of Disqualified Stock in an aggregate principal amount, accreted value or liquidation preference, as applicable, at any time outstanding, not to exceed an amount equal to \$100.0 million less the aggregate amount of all Investments made pursuant to clause (12) of the definition of Permitted Investments; provided that, notwithstanding the foregoing, the aggregate principal amount, accreted value or liquidation preference, as applicable, permitted to be incurred or issued pursuant to this clause (12) shall not be reduced to less than \$25.0 million.

The Indenture will also provide that (i) the Company will not incur any Indebtedness that is contractually subordinated in right of payment to any other Indebtedness of the Company unless such Indebtedness is also contractually subordinated in right of payment to the notes on substantially identical terms; provided, however, that no Indebtedness of the Company shall be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured and (ii) the Company will not permit any of its Unrestricted Subsidiaries to incur any Indebtedness other than Non-Recourse Debt.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company shall, in its sole discretion, classify (or later reclassify in whole or in part) such item of Indebtedness in any manner that complies with this covenant. Accrual of interest, accretion or amortization of original issue discount and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this covenant. Indebtedness under Credit Facilities outstanding on the date of the Indenture shall be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien securing Indebtedness or trade payables on any asset now owned or hereafter acquired, or any income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits;

(2) pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(3) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(4) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the foregoing restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) Existing Indebtedness or Indebtedness under the Senior Credit Facility, in each case as in effect on the date of the Indenture, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in the applicable series of Existing Indebtedness or in the Senior Credit Facility, in each case as in effect on the date of the Indenture;

(2) encumbrances and restrictions applicable to any Unrestricted Subsidiary, as the same are in effect as of the date on which such Subsidiary becomes a Restricted Subsidiary, and as the same may be amended, modified, restated, renewed, increased, supplemented, refunded, replaced or refinanced; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in the applicable series of Indebtedness of such Subsidiary as in effect on the date on which such Subsidiary becomes a Restricted Subsidiary;

(3) any Indebtedness (incurred in compliance with the covenant under the heading "--Incurrence of Indebtedness and Issuance of Preferred Stock") or any agreement pursuant to which such Indebtedness is issued if the encumbrance or restriction applies only in the event of a payment default or default with respect to a financial covenant contained in such Indebtedness or agreement and such encumbrance or restriction is not materially more disadvantageous to the holders of the notes than is customary in comparable financings (as determined by the Company) and the Company determines that any such encumbrance or restriction will not materially affect the Company's ability to pay interest or principal on the notes;

(4) the Indenture;

(5) applicable law;

(6) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(7) by reason of customary non-assignment provisions in leases or licenses entered into in the ordinary course of business;

(8) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (4) in the prior paragraph on the property so acquired;

(9) the provisions of agreements governing Indebtedness incurred pursuant to clause (4) of the second paragraph of the covenant described above under the caption "--Incurrence of Indebtedness and Issuance of Preferred Stock";

(10) any agreement for the sale of a Restricted Subsidiary that restricts that Restricted Subsidiary pending its sale;

(11) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(12) Liens permitted to be incurred pursuant to the provisions of the covenant described under the caption "Liens" that limit the right of the debtor to transfer the assets subject to such Liens;

(13) provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements; and

(14) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Merger, Consolidation or Sale of Assets

The Company may not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another corporation, Person or entity unless:

(1) the Company is the surviving corporation or the entity or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(2) the entity or Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity or Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all the obligations of the Company under the notes and the Indenture pursuant to a supplemental indenture in a form reasonably satisfactory to the trustee;

(3) immediately after such transaction no Default exists; and

(4) except in the case of a merger of the Company with or into a Wholly Owned Restricted Subsidiary of the Company and except in the case of a merger entered into solely for the purpose of reincorporating the Company in another jurisdiction, the Company or the entity or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made will, at the time of such transaction and after giving pro forma effect thereto as if such transaction had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt to Adjusted Consolidated Cash Flow Ratio test set forth in the first paragraph of the covenant described above under the caption "--Incurrence of Indebtedness and Issuance of Preferred Stock."

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction"), unless:

(1) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$1.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (1) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10.0 million, an opinion as to the fairness to the holders of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

Notwithstanding the foregoing, the following items shall not be deemed to be Affiliate Transactions:

(1) any employment arrangements with any executive officer of the Company or a Restricted Subsidiary that is entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and consistent with compensation arrangements of similarly situated executive officers at comparable companies engaged in Permitted Businesses;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) payment of directors fees in an aggregate annual amount not to exceed \$25,000 per Person;

(4) Restricted Payments that are permitted by the provisions of the Indenture described above under the caption "--Restricted Payments";

(5) the issuance or sale of Equity Interests (other than Disqualified Stock) of the Company; and

(6) transactions pursuant to the provisions of the Governance Agreement, the Rights Agreement, the Stockholders' Agreement, the CTSB Shareholders' Agreement, the CTI Services Agreement, the CTI Operating Agreement and the Crown Transition Agreements, as the same are in effect on the date of the Indenture.

Sale and Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Company or any of its Restricted Subsidiaries may enter into a sale and leaseback transaction if:

(1) the Company or such Restricted Subsidiary, as applicable, could have:

(a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to the Debt to Adjusted Consolidated Cash Flow Ratio test set forth in the first paragraph of the covenant described above under the caption "--Incurrence of Indebtedness and Issuance of Preferred Stock";

(b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption "--Liens";

(2) the gross cash proceeds of such sale and leaseback transaction are at least equal to the fair market value (as determined in good faith by the Board of Directors) of the property that is the subject of such sale and leaseback transaction; and

(3) the transfer of assets in such sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, the covenant described above under the caption "--Repurchase at the Option of Holders--Asset Sales."

Limitation on Issuances and Sales of Capital Stock of Restricted Subsidiaries

The Company:

(1) will not, and will not permit any Restricted Subsidiary of the Company to, transfer, convey, sell, lease or otherwise dispose of any Equity Interests in any Restricted Subsidiary of the Company to any Person (other than the Company or a Wholly Owned Restricted Subsidiary of the Company); and

(2) will not permit any Restricted Subsidiary of the Company to issue any of its Equity Interests (other than, if necessary, shares of its Capital Stock constituting directors' qualifying

shares) to any Person other than to the Company or a Wholly Owned Restricted Subsidiary of the Company, unless, in each such case:

(a) as a result of such transfer, conveyance, sale, lease or other disposition or issuance such Restricted Subsidiary no longer constitutes a Subsidiary; and

(b) the cash Net Proceeds from such transfer, conveyance, sale, lease or other disposition or issuance are applied in accordance with the covenant described above under the caption "--Repurchase at the Option of Holders--Asset Sales."

Limitations on Issuances of Guarantees of Indebtedness

The Company will not permit any Restricted Subsidiary, directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other Indebtedness of the Company unless such Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for the Guarantee of the payment of the notes by such Subsidiary, which Guarantee shall be senior to or pari passu with such Subsidiary's Guarantee of or pledge to secure such other Indebtedness. Notwithstanding the foregoing, any such Guarantee by a Subsidiary of the notes shall provide by its terms that it shall be automatically and unconditionally released and discharged upon any sale, exchange or transfer, to any Person other than a Subsidiary of the Company, of all of the Company's stock in, or all or substantially all the assets of, such Subsidiary, which sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture. The form of such Guarantee will be attached as an exhibit to the Indenture.

Business Activities

The Company will not, and will not permit any Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Subsidiaries taken as a whole.

Reports

Whether or not required by the rules and regulations of the Securities and Exchange Commission (the "Commission"), so long as any notes are outstanding, the Company will furnish to the holders of notes:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries (showing in reasonable detail, in the footnotes to the financial statements and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (in each case to the extent not prohibited by the Commission's rules and regulations));

(a) the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company; and

(b) the Tower Cash Flow for the most recently completed fiscal quarter and the Adjusted Consolidated Cash Flow for the most recently completed four-quarter period) and, with respect to the annual information only, a report thereon by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports, in each case within the time periods specified in the Commission's rules and regulations.

In addition, whether or not required by the rules and regulations of the Commission, the Company will file a copy of all such information and reports with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

Events of Default and Remedies

Each of the following constitutes an Event of Default:

(1) default for 30 days in the payment when due of interest on the notes;

(2) default in payment when due of the principal of or premium, if any, on the notes;

(3) failure by the Company or any of its Subsidiaries to comply with the provisions described under the caption "--Certain Covenants--Merger, Consolidation or Sale of Assets" or failure by the Company to consummate a Change of Control Offer or Asset Sale Offer in accordance with the provisions of the Indenture applicable thereto;

(4) failure by the Company or any of its Subsidiaries for 30 days after notice to comply with any of its other agreements in the Indenture or the notes;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of its Significant Subsidiaries) whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default:

(a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$20.0 million or more;

(6) failure by the Company or any of its Significant Subsidiaries to pay final judgments aggregating in excess of \$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; or

(7) certain events of bankruptcy or insolvency with respect to the Company or any of its Restricted Subsidiaries.

If any Event of Default occurs and is continuing, the trustee or the holders of at least 25% in principal amount at maturity of the then outstanding notes may declare all the notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, all outstanding notes will become due and payable without further action or notice. Holders of the notes may not enforce the Indenture or the notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount at maturity of the then outstanding notes may direct the trustee in its exercise of any trust or power.

The holders of a majority in aggregate principal amount at maturity of the notes then outstanding by notice to the trustee may on behalf of the holders of all of the notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the notes.

The Indenture provides that if a Default occurs and is continuing and is known to the trustee, the trustee must mail to each holder of the notes notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of or interest on any note, the trustee may withhold notice if and so long as a committee of its trust officers determines that withholding notice is not opposed to the interest of the holders of the notes. In addition, the Company is required to deliver to the trustee, within 90 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is also required to deliver to the trustee, forthwith after the occurrence thereof, written notice of any event that would constitute a Default, the status thereof and what action the Company is taking or proposes to take in respect thereof.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company, as such, shall have any liability for any obligations of the Company under the notes, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The Company may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding notes ("Legal Defeasance") except for:

(1) the rights of holders of outstanding notes to receive payments in respect of the principal of, premium, if any, and interest on such notes when such payments are due from the trust referred to below;

(2) the Company's obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the trustee, and the Company's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the notes. In the event Covenant Defeasance occurs, certain events (not including non-payment and bankruptcy, receivership, rehabilitation and insolvency events with respect to the Company) described under "--Events of Default and Remedies" will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the trustee, in trust, for the benefit of the holders of the notes, cash in United States dollars, non-callable Government Securities, or a

combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on the outstanding notes on the stated maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company shall have delivered to the trustee an opinion of counsel in the United States reasonably acceptable to the trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the trustee an opinion of counsel in the United States reasonably acceptable to the trustee confirming that the holders of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or insofar as Events of Default from bankruptcy or insolvency events with respect to the Company are concerned, at any time in the period ending on the 91st day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound;

(6) the Company must have delivered to the trustee an opinion of counsel to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(7) the Company must deliver to the trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; and

(8) the Company must deliver to the trustee an Officers' Certificate and an opinion of counsel, each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the Indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a holder to pay any taxes and fees required by

law. The Company is not required to transfer or exchange any note selected for redemption. Also, the Company is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

The registered holder of a note will be treated as the owner of it for all purposes.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture or the notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount at maturity of the notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes), and any existing default or compliance with any provision of the Indenture or the notes may be waived with the consent of the holders of a majority in principal amount at maturity of the then outstanding notes (including consents obtained in connection with a tender offer or exchange offer for notes).

Without the consent of each holder affected, an amendment or waiver may not (with respect to any notes held by a non-consenting holder):

- (1) reduce the principal amount of notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption (but not any required repurchase in connection with an Asset Sale Offer or Change of Control Offer) of the notes;
- (3) reduce the rate of or change the time for payment of interest on any note;
- (4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the notes (except a rescission of acceleration of the notes by the holders of at least a majority in aggregate principal amount of the notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any note payable in money other than that stated in the notes;
- (6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of notes to receive payments of principal of or premium, if any, or interest on the notes;
- (7) waive a redemption payment (but not any payment upon a required repurchase in connection with an Asset Sale Offer or Change of Control Offer) with respect to any note;
- (8) except as provided under the caption "--Legal Defeasance and Covenant Defeasance" or in accordance with the terms of any Subsidiary Guarantee, release a Subsidiary Guarantor from its obligations under its Subsidiary Guarantee or make any change in a Subsidiary Guarantee that would adversely affect the holders of the notes; or
- (9) make any change in the foregoing amendment and waiver provisions.

Notwithstanding the foregoing, without the consent of any holder of notes, the Company and the trustee may amend or supplement the Indenture or the notes to cure any ambiguity, defect or inconsistency, to provide for uncertificated notes in addition to or in place of certificated notes, to provide for the assumption of the Company's obligations to holders of notes in the case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the holders of notes or that does not adversely affect the legal rights under the Indenture of any such holder, or to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

Concerning the Trustee

The Indenture contains certain limitations on the rights of the trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The holders of a majority in principal amount at maturity of the then outstanding notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default shall occur (which shall not be cured), the trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of notes, unless such holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Additional Information

Anyone who receives this prospectus may obtain a copy of the Indenture and Registration Rights Agreement without charge by writing to Crown Castle International Corp., 510 Bering Drive, Suite 500, Houston, Texas 77057, Attention: Chief Financial Officer.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"Accreted Value" means, as of any date of determination the sum of:

- (1) the initial Accreted Value (which is \$ per \$1,000 in principal amount at maturity of notes); and
- (2) the portion of the excess of the principal amount at maturity of each note over such initial Accreted Value which shall have been amortized through such date, such amount to be so amortized on a daily basis and compounded semiannually on each and at the rate of % per annum from the date of original issuance of the notes through the date of determination computed on the basis of a 360-day year of twelve 30-day months.

The Accreted Value of any note on or after the Full Accretion Date shall be equal to 100% of its stated principal amount.

"Acquired Debt" means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Adjusted Consolidated Cash Flow" has the meaning given to such term in the definition of "Debt to Adjusted Consolidated Cash Flow Ratio."

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control.

"Asset Sale" means:

- (1) the sale, lease, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "--Repurchase at the Option of Holders--Change of Control" and/or the provisions described above under the caption "--Repurchase at the Option of Holders --Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant; and
- (2) the issue or sale by the Company or any of its Restricted Subsidiaries of Equity Interests of any of the Company's Subsidiaries (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary), in the case of either clause (1) or (2), whether in a single transaction or a series of related transactions:
 - (a) that have a fair market value in excess of \$1.0 million; or
 - (b) for net proceeds in excess of \$1.0 million.

Notwithstanding the foregoing, the following items shall not be deemed to be Asset Sales:

- (1) a transfer of assets by the Company to a Restricted Subsidiary or by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;
- (2) an issuance of Equity Interests by a Subsidiary to the Company or to another Restricted Subsidiary;
- (3) a Restricted Payment that is permitted by the covenant described above under the caption "--Certain Covenants--Restricted Payments";
- (4) grants of leases or licenses in the ordinary course of business; and
- (5) disposals of Cash Equivalents.

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"BAM" means Cellco Partnership, a Delaware general partnership doing business as Bell Atlantic Mobile.

"Berkshire Group" means Berkshire Fund III, A Limited Partnership, Berkshire Fund IV, Limited Partnership, Berkshire Investors LLC and Berkshire Partners LLC.

"Broker-Dealer" means any broker or dealer registered under the Exchange Act.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means:

- (1) United States dollars;
- (2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than six months from the date of acquisition;
- (3) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case with any lender party to the Senior Credit Facility or with any domestic commercial bank having capital and surplus in excess of \$500.0 million and a Thompson Bank Watch Rating of "B" or better;
- (4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Ratings Group and in each case maturing within six months after the date of acquisition; and
- (6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1)-(5) of this definition.

"CCAIC" means CCA Investment Corp., which is an indirect wholly owned Subsidiary of the Company and was formed to hold the Company's Equity Interests in Crown Atlantic Holding Company LLC.

"Centennial Group" means Centennial Fund IV, L.P., Centennial Fund V, L.P. and Centennial Entrepreneurs Fund V, L.P.

"Change of Control" means the occurrence of any of the following:

- (1) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than a Principal or a Related Party of a Principal;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), directly or indirectly, of more than 50% of the Voting Stock of the Company (measured by voting power rather than number of shares); provided that transfers of Equity Interests in the Company between or among the beneficial owners of the Company's Equity Interests and/or Equity Interests in CTSB, in each case as of the date of the Indenture, will not be deemed to cause a Change of Control under this clause (3) so long as no single Person together with its Affiliates acquires a beneficial interest in more of the Voting Stock of the Company than is at the time collectively beneficially owned by the Principals and their Related Parties;

(4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where:

(a) the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance); or

(b) the Principals and their Related Parties own a majority of such outstanding shares after such transaction.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period; plus

(1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income; plus

(2) consolidated interest expense of such Person and its Restricted 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 Debt, commissions, discounts and other fees and charges incurred in respect of letter 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

(3) 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 Restricted 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

(4) 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 GAAP.

"Consolidated Indebtedness" means, with respect to any Person as of any date of determination, the sum, without duplication, of:

(1) the total amount of Indebtedness of such Person and its Restricted Subsidiaries; plus

(2) the total amount of Indebtedness of any other Person, to the extent that such Indebtedness has been Guaranteed by the referent Person or one or more of its Restricted Subsidiaries; plus

(3) the aggregate liquidation value of all Disqualified Stock of such Person and all preferred stock of Restricted Subsidiaries of such Person, in each case, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

(1) the Net Income (but not loss) of any Person other than the Company that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Restricted Subsidiary thereof;

(2) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded;

(3) the cumulative effect of a change in accounting principles shall be excluded; and

(4) the Net Income (but not loss) of any Unrestricted Subsidiary shall be excluded whether or not distributed to the Company or one of its Restricted Subsidiaries.

"Consolidated Tangible Assets" means, with respect to the Company, the total consolidated assets of the Company and its Restricted Subsidiaries, less the total intangible assets of the Company and its Restricted Subsidiaries, as shown on the most recent internal consolidated balance sheet of the Company and such Restricted Subsidiaries calculated on a consolidated basis in accordance with GAAP.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of such Board of Directors on the date of the Indenture;

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election; or

(3) is a designee of a Principal or was nominated by a Principal.

"Credit Facilities" means one or more debt facilities (including, without limitation, the Senior Credit Facility) or commercial paper facilities with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Crown Transition Agreements" means collectively (i) the Crown Memorandum of Understanding among the Company, Robert A. Crown and Barbara A. Crown, dated as of July 2, 1998, (ii) the Crown Services Agreement between the Company and Robert A. Crown, dated as of July 2, 1998 and (iii) the Registration Rights Crown Side Letter Agreement, among the Company, Robert A. Crown and Barbara A. Crown, dated as of August 18, 1998.

"CTI" means Castle Transmission International Limited.

"CTI Operating Agreement" means the memorandum of understanding among the Company, CTSB, CTI and TdF, dated as of August 21, 1998, relating to the development of certain business opportunities outside of the United States and the provision of certain business support and technical services in connection therewith.

"CTI Services Agreement" means the amended and restated services agreement between CTI and TdF, dated as of August 21, 1998, relating to the provisions of certain services to CTI.

"CTSB" means Castle Transmission Services (Holdings) Ltd and its successors.

"CTSB Shareholders' Agreement" means the agreement entered into by the Company, CTSB and TdF, dated as of August 21, 1998, to govern the relationship between the Company and TdF as shareholders of CTSB.

"Debt to Adjusted Consolidated Cash Flow Ratio" means, as of any date of determination, the ratio of:

(1) the Consolidated Indebtedness of the Company as of such date to

(2) the sum of:

(a) 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

(b) 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, (1) acquisitions that have been made by the Company or any of its Restricted 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 without giving effect to clause (2) of the proviso set forth in definition of Consolidated Net Income; and (2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to Calculation Date, shall be excluded.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder

thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the notes mature; provided, however, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above the caption "--Certain Covenants--Restricted Payments."

"Eligible Indebtedness" means any Indebtedness other than:

(1) Indebtedness in the form of, or represented by, bonds or other securities or any guarantee thereof; and

(2) Indebtedness that is, or may be, quoted, listed or purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market (including, without prejudice to the generality of the foregoing, the market for securities eligible for resale pursuant to Rule 144A under the Securities Act).

"Eligible Receivables" means the accounts receivable (net of any reserves and allowances for doubtful accounts in accordance with GAAP) of the Company and its Restricted Subsidiaries that are not more than 60 days past their due date and that were entered into in the ordinary course of business on normal payment terms as shown on the most recent internal consolidated balance sheet of the Company and such Restricted Subsidiaries, all calculated on a consolidated basis in accordance with GAAP.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Existing Indebtedness" means Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Senior Credit Facility) in existence on the date of the Indenture, until such amounts are repaid.

"Full Accretion Date" means , 2004.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of the Indenture.

"Guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Governance Agreement" means the agreement among the Company, TdF and its affiliates, dated as of August 21, 1998, to provide for certain rights and obligations of the Company, TdF and its affiliates with respect to the management of the Company.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency exchange rates.

"Indebtedness" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all Indebtedness of others secured by a Lien on any asset of such Person whether or not such Indebtedness is assumed by such Person (the amount of such Indebtedness as of any date being deemed to be the lesser of the value of such property or assets as of such date or the principal amount of such Indebtedness of such other Person so secured) and, to the extent not otherwise included, the Guarantee by such Person of any Indebtedness of any other Person. The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of direct or indirect loans (including guarantees of Indebtedness or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company or a Restricted Subsidiary of the Company issues any of its Equity Interests such that, in each case, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "-- Certain Covenants--Restricted Payments."

"IPO Date" means, August 18, 1998, the date of the Company's initial public offering of common stock.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Nassau Group" means Nassau Capital Partners II, L.P. and NAS Partners I, L.L.C.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with:

(a) any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions); or

(b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"Net Proceeds" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of:

(1) the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, and sales commissions) and any relocation expenses incurred as a result thereof;

(2) taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements);

(3) amounts required to be applied to the repayment of Indebtedness (other than Indebtedness under a Credit Facility) secured by a Lien on the asset or assets that were the subject of such Asset Sale;

(4) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Sale;

(5) the deduction of appropriate amounts provided by the seller as a reserve in accordance with GAAP against any liabilities associated with the assets disposed of in such Asset Sale and retained by the Company or any Restricted Subsidiary after such Asset Sale; and

(6) without duplication, any reserves that the Company's Board of Directors determines in good faith should be made in respect of the sale price of such asset or assets for post closing adjustments;

provided that in the case of any reversal of any reserve referred to in clause (5) or (6) above, the amount so reversed shall be deemed to be Net Proceeds from an Asset Sale as of the date of such reversal.

"Non-Recourse Debt" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries:

(a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness);

(b) is directly or indirectly liable (as a guarantor or otherwise); or

(c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any of its Restricted

Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (except that this clause (3) will not apply to any Indebtedness incurred by CTSH and its Subsidiaries prior to the date CTSH becomes a Subsidiary).

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Permitted Business" means any business conducted by the Company, its Restricted Subsidiaries or CTSH and its Subsidiaries on the date of the Indenture and any other business related, ancillary or complementary to any such business.

"Permitted Investments" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Restricted Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "--Repurchase at the Option of Holders--Asset Sales";

(5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) receivables created in the ordinary course of business;

(7) loans or advances to employees made in the ordinary course of business not to exceed \$1.0 million at any one time outstanding;

(8) securities and other assets received in settlement of trade debts or other claims arising in the ordinary course of business;

(9) purchases of additional Equity Interests in CTSH for cash pursuant to the Shareholders' Agreement as the same is in effect on the date of the Indenture for aggregate cash consideration not to exceed \$20.0 million since the date of the Indenture; and

(10) purchases of additional Equity Interests in CTSH for cash pursuant to the Governance Agreement as the same is in effect on the Loan Date for aggregate cash consideration not to exceed \$20.0 million since the Loan Date;

(11) the Investment of up to an aggregate of \$100.0 million (i) to be used to consummate the formation of the Crown Atlantic Holding Company LLC joint venture with BAM or (ii) if the Company does not consummate the formation of the Crown Atlantic Holding Company LLC joint venture with BAM, in one or more other Subsidiaries of the Company (which may be Unrestricted Subsidiaries of the Company), each of which derives or expects to derive a majority of its revenues from one or more Permitted Businesses (each such Investment being measured as of the date made and without giving effect to subsequent changes in value);

(12) additional Investments in an aggregate amount equal to (x) \$200.0 million, minus (y) the aggregate amount of Investments made or permitted to be made pursuant to clause (11) of this paragraph, minus (z) the aggregate amount of Indebtedness incurred and/or Disqualified Stock issued pursuant to clause (11) of the second paragraph of Section 4.09 hereof (each such Investment being measured as of the date made and without giving effect to subsequent changes in value); and

(13) other Investments in Permitted Businesses not to exceed an amount equal to \$10.0 million plus 10% of the Company's Consolidated Tangible Assets at any one time outstanding (each such Investment being measured as of the date made and without giving effect to subsequent changes in value).

"Permitted Liens" means:

(1) Liens securing Eligible Indebtedness of the Company under one or more Credit Facilities that was permitted by the terms of the Indenture to be incurred;

(2) Liens securing any Indebtedness of any of the Company's Restricted Subsidiaries that was permitted by the terms of the Indenture to be incurred;

(3) Liens in favor of the Company;

(4) Liens existing on the date of the Indenture;

(5) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor;

(6) Liens securing Indebtedness permitted to be incurred under clause (4) of the second paragraph of the covenant described above under the caption "--Certain Covenants--Incurrence of Indebtedness and Issuance of Preferred Stock"; and

(7) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed \$5.0 million at any one time outstanding and that:

(a) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business); and

(b) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of business by the Company or such Restricted Subsidiary.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(1) the principal amount (or initial accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus accrued interest on, the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of expenses and prepayment premiums incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the notes on terms at least as favorable to the holders of notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or agency or political subdivision thereof (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

"Principals" means Berkshire Group, Centennial Group, Nassau Group, TdF and any Related Party of the foregoing.

"Prospectus" means the prospectus included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into that prospectus.

"Public Equity Offering" means an underwritten primary public offering of common stock of the Company pursuant to an effective registration statement under the Securities Act.

"Related Party" with respect to any Principal means:

- (1) any controlling stockholder, 80% (or more) owned Subsidiary of such Principal; or
- (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, members, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of such Principal and/or such other Persons referred to in the immediately preceding clause (1).

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"Roll-Up" means the transaction pursuant to which CTSB becomes a Subsidiary of the Company.

"Senior Credit Facility" means that certain Amended and Restated Loan Agreement, dated as of July 10, 1998, by and among Key Corporate Capital Inc. and PNC Bank, National Association, as arrangers and agents for the financial institutions listed therein, and Crown Communication Inc. and Crown Castle International Corp. de Puerto Rico, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time.

"Senior Subordinated Exchange Debentures" means the Company's 12% Senior Subordinated Exchange Debentures due 2010 issuable by the Company upon exchange for the Company's 12% Senior Exchangeable Preferred Stock due 2010, together with any and all additional 12% Senior Subordinated Exchange Debentures due 2010 of the Company issued (i) as payment of interest in accordance with the provisions under the indenture governing such Indebtedness and (ii) in

connection with a transfer or exchange of debentures evidencing such Indebtedness pursuant to an effective registration statement filed with the Commission.

"Significant Subsidiary" means, with respect to any Person, any Restricted Subsidiary of such Person that would be a "significant subsidiary" of such Person as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Act, as such Regulation is in effect on the date hereof, except that all references to "10 percent" in Rule 1-02(w)(1), (2) and (3) shall mean "5 percent" and that all Unrestricted Subsidiaries of the Company shall be excluded from all calculations under Rule 1-02(w).

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Stockholders' Agreement" means the agreement among the Company and certain stockholders of the Company, dated as of August 21, 1998, to provide for certain rights and obligations of the Company and such stockholders with respect to the governance of the Company and such stockholders' shares of Common Stock and/or Class A Common Stock of the Company.

"Strategic Equity Investment" means a cash contribution to the common equity capital of the Company or a purchase from the Company of common Equity Interests (other than Disqualified Stock), in either case by or from a Strategic Equity Investor and for aggregate cash consideration of at least \$50.0 million.

"Strategic Equity Investor" means a Person engaged in a Permitted Business whose Total Equity Market Capitalization exceeds \$1.0 billion.

"Subsidiary" means, with respect to any Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership:
 - (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person; or
 - (b) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"TdF" means TeleDiffusion de France International S.A.

"Total Equity Market Capitalization" of any Person means, as of any day of determination, the sum of:

- (1) the product of:
 - (a) the aggregate number of outstanding primary shares of common stock of such Person on such day (which shall not include any options or warrants on, or securities convertible or exchangeable into, shares of common stock of such person); multiplied by

(b) the average closing price of such common stock listed on a national securities exchange or the Nasdaq National Market System over the 20 consecutive business days immediately preceding such day; plus

(2) the liquidation value of any outstanding shares of preferred stock of such Person on such day.

"Tower Asset Exchange" means any transaction in which the Company or one of its Restricted Subsidiaries exchanges assets for Tower Assets and/or cash or Cash Equivalents where the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the trustee) of the Tower Assets and cash or Cash Equivalents received by the Company and its Restricted Subsidiaries in such exchange is at least equal to the fair market value of the assets disposed of in such exchange.

"Tower Assets" means wireless transmission towers and related assets that are located on the site of a transmission tower.

"Tower Cash Flow" means, for any period, the Consolidated Cash Flow of the Company and its Restricted Subsidiaries for such period that is directly attributable to site rental revenue or license fees paid to lease or sublease space on communication sites owned or leased by the Company, all determined on a consolidated basis and in accordance with GAAP. Tower Cash Flow will not include revenue or expenses attributable to non-site rental services provided by the Company or any of its Restricted Subsidiaries to lessees of communication sites or revenues derived from the sale of assets.

"Unrestricted Subsidiary" means any Subsidiary of the Company that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution; but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation:

(a) to subscribe for additional Equity Interests; or

(b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; and

(5) has at least one director on its board of directors that is not a director or executive officer of the Company or any of its Restricted Subsidiaries and has at least one executive officer that is not a director or executive officer of the Company or any of its Restricted Subsidiaries.

Any such designation by the Board of Directors shall be evidenced to the trustee by filing with the trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions and was permitted by the covenant described above under the caption "--Certain Covenants--Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an

Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described above under the caption "--Certain Covenants--Incurrence of Indebtedness and Issuance of Preferred Stock," the Company shall be in default of such covenant). The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under the covenant described above under the caption "--Certain Covenants--Incurrence of Indebtedness and Issuance of Preferred Stock," calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period and (2) no Default would occur or be in existence following such designation.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying :

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof; by

(b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Restricted Subsidiary" of any Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

[E] SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the offering, we will have outstanding shares of common stock (shares if the over-allotment option is exercised in full). Of these shares, the shares of common stock (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 shares of common stock (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, is available. As a result of the contractual restrictions described below and the provisions of Rule 144, approximately shares will be eligible for sale upon expiration of the lock-up agreements 90 days after the date of this prospectus and approximately shares will be eligible for sale upon expiration of their respective one-year holding periods.

We have agreed, during the period beginning from the date of this prospectus and continuing to and including the date 90 days after the date of this prospectus, not to offer, sell, contract to sell or otherwise dispose of any of our securities 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 Goldman Sachs & Co. In addition, the selling stockholders, our directors, executive officers and certain other officers, who represent in the aggregate approximately % of the outstanding common stock after the offering (assuming no exercise of the underwriters' over-allotment option), will be required, during the period beginning from the date of this prospectus and continuing to and including the date 90 days after the date of this prospectus, not to, directly or indirectly, offer, pledge, sell, contract to sell or otherwise dispose of any of our securities 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 of our securities, without the prior written consent of Goldman Sachs & Co. 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 us 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 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 us or (if applicable) the date they were acquired from an affiliate of ours, a stockholder who is not an affiliate of ours at the time of sale and has not been an affiliate of ours 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.

Approximately shares of common stock (approximately 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 90-day lockup period described above, approximately 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. 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--[E] Shares of a Substantial Number of Shares of Common Stock After the Equity Offering Could Adversely Affect the Market Price of the Common Stock" and "[E] Underwriting."

[D] CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following general discussion summarizes certain of the material U.S. federal income and estate tax aspects of the purchase, ownership and disposition of the notes. This discussion is a summary for general information only and does not consider all aspects of U.S. federal income tax that may be relevant to the purchase, ownership and disposition of the notes by a prospective investor in light of such investor's personal circumstances. This discussion also does not address the U.S. federal income tax consequences of ownership of notes not held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), or the U.S. federal income tax consequences to investors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currency, tax-exempt entities, banks, thrifts, insurance companies, persons that hold the notes as part of a "straddle," a "hedge" against currency risk or a "conversion transaction," persons that have a "functional currency" other than the U.S. dollar, and investors in pass-through entities. In addition, this discussion is limited to the U.S. federal income tax consequences to initial holders that purchase the notes for cash at their issue price (as defined below) pursuant to the Offer. It does not describe any tax consequences arising out of the tax laws of any state, local or foreign jurisdiction.

This discussion is based upon the Code, regulations of the Treasury Department, Internal Revenue Service ("IRS") rulings and pronouncements and judicial decisions now in effect, all of which are subject to a change (possibly on a retroactive basis). The Company has not and will not seek any rulings or opinions from the IRS or counsel with respect to the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the notes which are different from those discussed herein.

Persons considering the purchase of notes should consult their own advisors concerning the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction, to their particular situations.

U.S. Holders

The following discussion is limited to the U.S. federal income tax consequences relevant to a "U.S. Holder," which means a beneficial owner of a note that is (i) a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its sources, (iv) a trust if a U.S. court is able to exercise primary jurisdiction over administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (v) otherwise subject to U.S. federal income taxation with respect to its worldwide income on a net income basis. Certain U.S. federal income tax consequences relevant to a holder other than a U.S. Holder are discussed separately below.

Interest and Original Issue Discount

The notes will be issued with original issue discount ("OID"). OID is the excess of (i) the stated redemption price at maturity of a note over (ii) its issue price.

The "stated redemption price at maturity" of a note is the sum of all payments provided by the instrument. The "issue price" of a note is the first price at which a substantial amount of the notes are sold to the public for cash (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity as underwriters, placement agents or wholesalers).

A U.S. Holder is required to include OID in income as ordinary interest as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of accounting. A U.S. Holder will not be required to report separately as taxable income actual distributions of stated interest with respect to the notes. In

general, the amount of OID included in income by the holder of a note is the sum of the daily portions of OID for each day during the taxable year (or portion of the taxable year) on which such holder held such note. The "daily portion" is determined by allocating the OID for an accrual period ratably to each day in that accrual period. The "accrual period" for a note may be of any length and may vary in length over the term of a note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or final day of an accrual period.

The amount of OID for an accrual period is generally equal to the product of the note's adjusted issue price at the beginning of such accrual period and its yield to maturity. The "adjusted issue price" of a note at the beginning of any accrual period is the sum of the issue price of the note plus the amount of OID allocable to all prior accrual periods minus the amount of any prior payments on the note. Under the constant yield method of determining OID, a U.S. Holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

Applicable High Yield Discount Obligation

The OID on any obligation that constitutes an "applicable high yield discount obligation" is not deductible until paid. An "applicable high yield discount obligation" is any debt instrument that (i) has a maturity date which is more than five years from the date of issue, (ii) has a yield to maturity which equals or exceeds the applicable Federal rate ("AFR") (as set forth in Section 1274(d) of the Code) for the calendar month in which the obligation is issued plus five percentage points and (iii) has "significant original issue discount." The AFR is an interest rate, announced monthly by the IRS, that is based on the yield of debt obligations issued by the U.S. Treasury, which AFR is 5.23% for March, 1999. A debt instrument generally has "significant original issue discount" if, as of the close of any accrual period ending more than five years after the date of issue, the excess of the interest (including OID) that has accrued on the obligation over the interest (including OID) that is required to be paid thereunder exceeds the product of the issue price of the instrument and its yield to maturity. Moreover, if the debt instrument's yield to maturity exceeds the AFR plus six percentage points, a ratable portion of the issuing corporation's deduction for OID (the "Disqualified OID") (based on the portion of the yield to maturity that exceeds the AFR plus six percentage points) will be denied. The Disqualified OID will be treated as a dividend generally eligible for the dividends-received deduction in the case of corporate holders to the extent it would have been so treated had such amount been distributed by the issuing corporation with respect to its stock.

Sale, Exchange or Redemption of the Notes

Upon the sale, exchange, retirement or other disposition of a note, a U.S. Holder will generally recognize taxable capital gain or loss equal to the difference between (i) the amount realized on the disposition (except to the extent that amounts received are attributable to accrued interest, which portion of the consideration would be taxed as ordinary income if the interest was previously untaxed) and (ii) the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder increased by any OID included in income through the date of disposition and decreased by any payments received on the notes. In the case of a U.S. Holder who is an individual, such capital gain will be subject to tax at a maximum rate of 20% if the note has been held for more than 12 months at the time of the sale, exchange, retirement or other disposition.

A U.S. Holder will not recognize any taxable gain or loss on the exchange of notes for new notes pursuant to the Exchange Offer.

Information Reporting and Backup Withholding

U.S. Holders of notes may be subject, under certain circumstances, to information reporting and "backup withholding" at a 31% rate with respect to cash payments in respect of principal (and

premium, if any), interest (including OID) and the gross proceeds from dispositions of notes. Backup withholding applies only if the U.S. Holder (i) fails to furnish its social security or other taxpayer identification number ("TIN") within a reasonable time after a request therefor, (ii) furnishes an incorrect TIN, (iii) fails to report properly interest or dividends, or (iv) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit (and may entitle such holder to a refund) against such U.S. Holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS. Certain persons are exempt from backup withholding, including corporations and financial institutions. U.S. Holders of notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

The Company will furnish annually to the IRS and to record holders of the notes (to whom it is required to furnish such information) information relating to the amount of OID and interest, as applicable.

Non-U.S. Holders

The following discussion is limited to the U.S. federal income tax consequences relevant to a holder of a note that is not a U.S. Holder (a "Non-U.S. Holder").

Subject to the discussion of backup withholding below, payments of interest (including OID) on a note to any Non-U.S. Holder will generally not be subject to U.S. federal income or withholding tax, provided that (1) the holder is not (i) an actual or constructive owner of 10% or more of the total voting power of all voting stock of the Company or (ii) a controlled foreign corporation related (directly or indirectly) to the Company through stock ownership or (iii) a foreign tax-exempt organization or a foreign private foundation for U.S. federal income tax purposes, (2) such interest payments are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States and (3) the Company or its paying agent receives (i) from the Non-U.S. Holder, a properly completed Form W-8 (or substitute Form W-8) under penalties of perjury which provides the Non-U.S. Holder's name and address and certifies that the Non-U.S. Holder of the note is a Non-U.S. Holder or (ii) from a security clearing organization, bank or other financial institution that holds the notes in the ordinary course of its trade or business (a "financial institution") on behalf of the Non-U.S. Holder, certification under penalties of perjury that such a Form W-8 (or substitute Form W-8) has been received by it, or by another such financial institution, from the Non-U.S. Holder, and a copy of the Form W-8 (or substitute Form W-8) is furnished to the payor.

A Non-U.S. Holder that does not qualify for exemption from withholding under the preceding paragraph generally will be subject to withholding of U.S. federal income tax at the rate of 30% (or lower applicable treaty rate) on payments of interest (including OID) on the notes.

If the payments of interest (including OID) on a note are effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States, such payments will be subject to U.S. federal income tax on a net basis at the rates applicable to U.S. persons generally (and, with respect to corporate holders, may also be subject to a 30% branch profits tax). If payments are subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding sentence, such payments will not be subject to U.S. withholding tax so long as the holder provides the Company or its paying agent with a properly executed Form 4224.

Non-U.S. Holders should consult any applicable income tax treaties, which may provide for a lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those described above.

Sale, Exchange or Redemption of Notes

Subject to the discussion concerning backup withholding, any gain realized by a Non-U.S. Holder on the sale, exchange, retirement or other disposition of a note generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States, (ii) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied or (iii) the Non-U.S. Holder is subject to tax pursuant to the provisions of U.S. federal tax law applicable to certain U.S. expatriates.

Federal Estate Tax

Notes held (or treated as held) by an individual who is a Non-U.S. Holder at the time of his or her death will not be subject to U.S. federal estate tax provided that (i) the individual does not actually or constructively own 10% or more of the total voting power of all voting stock of the Company and (ii) income on the note was not effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States.

Information Reporting and Backup Withholding

The Company must report annually to the IRS and to each Non-U.S. Holder any interest (including OID) that is subject to withholding or that is exempt from U.S. withholding tax. Copies of those information returns may also be made available, under the provisions of a specific treaty or agreement, to the tax authorities of the country in which the Non-U.S. Holder resides.

The regulations provide that backup withholding (which generally is a withholding tax imposed at the rate of 31% on payments to persons that fail to furnish certain required information) and information reporting will not apply to payments made in respect of the notes by the Company to a Non-U.S. Holder, if the holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption (provided that neither the Company nor its paying agent has actual knowledge that the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied).

The payment of the proceeds from the disposition of notes to or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding unless the owner certifies as to its non-U.S. status under penalty of perjury or otherwise establishes an exemption, provided that the broker does not have actual knowledge that the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of a note to or through a non-U.S. office of a non-U.S. broker that is not a U.S. related person will not be subject to information reporting or backup withholding. For this purpose, a "U.S. related person" is (i) a "controlled foreign corporation" for U.S. federal income tax purposes or (ii) a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment (or for such part of the period that the broker has been in existence) is derived from activities that are effectively connected with the conduct of a U.S. trade or business.

In the case of the payment of proceeds from the disposition of notes to or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, the regulations require information reporting on the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge to the contrary. Backup withholding will not apply to payments made through foreign offices of a broker that is a U.S. person or a U.S. related person (absent actual knowledge that the payee is a U.S. person).

Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a refund or a credit against such Non-U.S. Holder's U.S. federal income tax liability, provided that the requisite procedures are followed.

The Treasury Department recently promulgated final regulations regarding the withholding and information reporting rules discussed above. In general, the final regulations do not significantly alter the substantive withholding and information reporting requirements but rather unify current certification procedures and forms and clarify reliance standards. The final regulations are generally effective for payments made after December 31, 1999, subject to certain transition rules. Non-U.S. Holders should consult their own tax advisors with respect to the impact, if any, of the final regulations.

[E] CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following general discussion summarizes certain of the material U.S. federal income and estate tax aspects of the ownership and disposition of common stock applicable to Non-U.S. Holders (as defined) of common stock. In general, a "Non-U.S. Holder" is a person other than: (i) a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its sources or (iv) a trust if a U.S. court is able to exercise primary jurisdiction over administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), regulations of the Treasury Department, Internal Revenue Service ("IRS") rulings and pronouncements and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). The discussion does not address aspects of U.S. federal taxation other than income and estate taxation and does not address all aspects of federal income and estate taxation. The discussion does not consider any specific facts or circumstances that may apply to a particular Non-U.S. Holder and does not address all aspects of U.S. federal income tax law that may be relevant to Non-U.S. Holders that may be subject to special treatment under such law (for example, insurance companies, tax-exempt organizations, financial institutions, broker-dealers or certain U.S. expatriates).

Persons considering the purchase of common stock should consult their own tax advisors concerning the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction to their particular situations.

Dividends

In general, the gross amount of dividends paid to a Non-U.S. Holder will be subject to U.S. withholding tax at a 30% rate (or any lower rate prescribed by an applicable tax treaty) unless the dividends are (i) effectively connected with a trade or business carried on by the Non-U.S. Holder within the United States and a Form 4224 is filed with the withholding agent or (ii) if a tax treaty applies, are attributable to a United States permanent establishment of the Non-U.S. Holder. If either exception applies, the dividend will be taxed at ordinary U.S. federal income tax rates. A Non-U.S. Holder may be required to satisfy certain certification requirements in order to claim the benefit of an applicable treaty rate or otherwise claim a reduction of, or exemption from, the withholding obligation pursuant to the above described rules. In the case of a Non-U.S. Holder that is a corporation, effectively connected income may also be subject to an additional branch profits tax (which is generally imposed on a foreign corporation at a rate of 30% of the deemed repatriation from the United States of "effectively connected earnings and profits" or such lower rate as an applicable tax treaty may provide). To the extent a distribution exceeds current or accumulated earnings or profits ("E&P"), it will be treated first as a return of the holder's basis to the extent thereof, and then as a gain from the sale of a capital asset. Any withholding tax on a distribution in excess of the Company's E&P is refundable to the Non-U.S. Holder upon filing an appropriate claim with the IRS.

Disposition of Common Stock

Generally, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain recognized upon the disposition of common stock unless: (i) the gain is effectively connected with a trade or business carried on by the Non-U.S. Holder within the United States, or, alternatively, if a tax treaty applies, attributable to a United States permanent establishment maintained by the Non-U.S. Holder (in which case such gain will be subject to tax at the rates and in the manner applicable to U.S. persons, and, if the holder is a foreign corporation, the branch profits tax may also apply), (ii) the common stock is disposed of by an individual Non-U.S. Holder, who holds the common stock as a capital asset and is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met (in which case such gain will be subject to a flat 30%

tax, which may be offset by United States source capital losses (even though the individual is not considered a resident of the United States)) or (iii) (A) the Company is or has been a "U.S. real property holding corporation" within the meaning of Section 897(c)(2) of the Code at any time within the shorter of the five-year period preceding such disposition or such Non-U.S. Holder's holding period and (B) assuming that the common stock is "regularly traded on an established securities market" for U.S. federal income tax purposes, the Non-U.S. Holder held, directly or indirectly, at any time during the applicable period from clause (A) above, including on the date of disposition, more than 5% of the outstanding common stock. Although the Company believes it currently is not a U.S. real property holding corporation, the Company anticipates becoming such a corporation as a result of the proposed joint venture with BAM and the Proposed BellSouth Transaction. Non-U.S. Holders should consult applicable treaties, which may exempt from U.S. taxation gains realized upon the disposition of common stock in certain cases.

Estate Tax

Common stock owned (or treated as owned) by an individual Non-U.S. Holder at the time of death will be includible in the individual's gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax, unless an applicable treaty provides otherwise.

Information Reporting and Backup Withholding

On October 6, 1997, the IRS issued final regulations relating to withholding, information reporting and backup withholding that unify current certification procedures and forms and clarify reliance standards (the "Final Regulations"). The Final Regulations generally will be effective with respect to payments made after December 31, 1999.

Except as provided below, this section describes rules applicable to payments made on or before December 31, 1999. Backup withholding (which generally is a withholding tax imposed at the rate of 31% on certain payments to persons that fail to furnish the information required under the U.S. information reporting and backup withholding rules) generally will not apply to (i) dividends paid to Non-U.S. Holders that are subject to the 30% withholding discussed above (or that are not so subject because a tax treaty applies that reduces or eliminates such 30% withholding) or (ii) dividends paid on the common stock to a Non-U.S. Holder at an address outside the United States (unless the payor has actual knowledge that the payee is a U.S. person). The Company will be required to report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to, and the tax withheld with respect to, such holder, regardless of whether any tax was actually withheld or whether withholding was required. This information may also be made available to the tax authorities in the Non-U.S. Holder's country of residence.

In the case of a Non-U.S. Holder that sells common stock to or through a U.S. office of a broker, the broker must backup withhold at a rate of 31% and report the sale to the IRS, unless the holder certifies its Non-U.S. status under penalties of perjury or otherwise establishes an exemption. In the case of a Non-U.S. Holder that sells common stock to or through the foreign office of a U.S. broker, or a foreign broker with certain types of relationships to the United States, the broker must report the sale to the IRS (but not backup withhold) unless the broker has documentary evidence in its files that the seller is a Non-U.S. Holder or certain other conditions are met, or the holder otherwise establishes an exemption. A Non-U.S. Holder will generally not be subject to information reporting or backup withholding if such Non-U.S. Holder sells the common stock to or through a foreign office of a non-U.S. broker.

Any amount withheld under the backup withholding rules from a payment to a holder is allowable as a credit against the holder's U.S. federal income tax, which may entitle the holder to a refund, provided that the holder furnishes the required information to the IRS. In addition, certain penalties may be imposed by the IRS on a holder who is required to supply information but does not do so in the proper manner.

The Final Regulations eliminate the general, current legal presumption that dividends paid to an address in a foreign country are paid to a resident of that country. In addition, the Final Regulations impose certain certification and documentation requirements on Non-U.S. Holders claiming the benefit, under a tax treaty, of a reduced withholding rate with respect to dividends.

Prospective purchasers of the common stock are urged to consult their own tax advisors as to the effect, if any, of the Final Regulations on their purchase, ownership and disposition of the common stock.

[D] LEGAL MATTERS

The legality of the notes offered hereby will be passed upon for the Company by Cravath, Swaine & Moore, New York, New York. Certain legal matters in connection with the offerings will be passed upon for the Underwriters by Latham & Watkins, New York, New York.

[E] LEGAL MATTERS

The legality of the securities offered hereby will be passed upon for the Company by Cravath, Swaine & Moore, New York, New York. Certain legal matters in connection with the offerings will be passed upon for the Underwriters by Latham & Watkins, New York, New York.

INDEPENDENT AUDITORS

The consolidated financial statements and schedule of the Company at December 31, 1997 and 1998, and for each of the three years in the period ended December 31, 1998, 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, have been included herein in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and in accordance therewith files reports and other information with the Commission. Such reports and other information can be inspected and copied at the public reference facilities maintained by the Commission at its offices at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of such materials can be obtained by mail from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such reports and other information concerning the Company are also available for inspection at the offices of the Nasdaq National Market, 1735 K Street, N.W., Washington, D.C. 20006. In addition, the Commission maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the Commission.

Anyone who receives this prospectus may obtain a copy of any of the agreements summarized herein without charge by writing to Crown Castle International Corp., 510 Bering Drive, Suite 500, Houston, TX 77057, Attention: Secretary.

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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, 1997 and 1998, and the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' equity (deficit) for each of the years in the three-year period ended December 31, 1998. 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, 1997 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

KPMG LLP

Houston, Texas
February 24, 1999

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands of dollars, except share amounts)

	December 31,	
	1997	1998
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 55,078	\$ 296,450
Receivables:		
Trade, net of allowance for doubtful accounts of \$177 and \$1,535 at December 31, 1997 and 1998, respectively.....	9,264	32,130
Other.....	811	4,290
Inventories.....	1,322	6,599
Prepaid expenses and other current assets.....	681	2,647
	-----	-----
Total current assets.....	67,156	342,116
Property and equipment, net.....	81,968	592,594
Investments in affiliates.....	59,082	2,258
Goodwill and other intangible assets, net of accumulated amortization of \$3,997 and \$20,419 at December 31, 1997 and 1998, respectively.....	152,541	569,740
Deferred financing costs and other assets, net of accumulated amortization of \$743 and \$1,722 at December 31, 1997 and 1998, respectively.....	10,644	16,522
	-----	-----
	\$371,391	\$1,523,230
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 7,760	\$ 46,020
Accrued interest.....	--	15,677
Accrued compensation and related benefits.....	1,792	5,188
Deferred rental revenues and other accrued liabilities.....	2,398	26,002
	-----	-----
Total current liabilities.....	11,950	92,887
Long-term debt.....	156,293	429,710
Other liabilities.....	607	22,823
	-----	-----
Total liabilities.....	168,850	545,420
	-----	-----
Commitments and contingencies (Note 12)		
Minority interests.....	--	39,185
Redeemable preferred stock, \$.01 par value; 10,000,000 shares authorized:		
12 3/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 1997--none and December 31, 1998--200,000 (stated at mandatory redemption and aggregate liquidation value).....	--	201,063
Senior Convertible Preferred Stock; shares issued: December 31, 1997--657,495 and December 31, 1998--none (stated at redemption value; aggregate liquidation value of \$68,916).....	67,948	--
Series A Convertible Preferred Stock; shares issued: December 31, 1997--1,383,333 and December 31, 1998--none (stated at redemption and aggregate liquidation value).....	8,300	--
Series B Convertible Preferred Stock; shares issued: December 31, 1997--864,568 and December 31, 1998--none (stated at redemption and aggregate liquidation value).....	10,375	--
Series C Convertible Preferred Stock; shares issued: December 31, 1997--3,529,832 and December 31, 1998--none (stated at redemption and aggregate liquidation value).....	74,126	--
	-----	-----
Total redeemable preferred stock.....	160,749	201,063
	-----	-----
Stockholders' equity:		
Common stock, \$.01 par value; 690,000,000 shares authorized:		
Class A Common Stock; shares issued: December 31, 1997--1,041,565 and December 31, 1998--none.....	2	--
Class B Common Stock; shares issued: December 31, 1997--9,367,165 and December 31, 1998--none.....	19	--
Common Stock; shares issued: December 31, 1997--none and December 31, 1998--83,123,873.....	--	831
Class A Common Stock; shares issued: December 31, 1997--none and December 31, 1998--11,340,000.....	--	113
Additional paid-in capital.....	58,248	795,153
Cumulative foreign currency translation adjustment.....	562	1,690

Accumulated deficit.....	(17,039)	(60,225)
	-----	-----
Total stockholders' equity.....	41,792	737,562
	-----	-----
	\$371,391	\$1,523,230
	=====	=====

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands of dollars, except per share amounts)

	Years Ended December 31,		
	1996	1997	1998
Net revenues:			
Site rental and broadcast transmission.....	\$5,615	\$ 11,010	\$ 75,028
Network services and other.....	592	20,395	38,050
	6,207	31,405	113,078
Operating expenses:			
Costs of operations (exclusive of depreciation and amortization):			
Site rental and broadcast transmission.....	1,292	2,213	26,254
Network services and other.....	8	13,137	21,564
General and administrative.....	1,678	6,824	23,571
Corporate development.....	1,324	5,731	4,625
Non-cash compensation charges.....	--	--	12,758
Depreciation and amortization.....	1,242	6,952	37,239
	5,544	34,857	126,011
Operating income (loss).....	663	(3,452)	(12,933)
Other income (expense):			
Equity in earnings (losses) of unconsolidated affiliate.....	--	(1,138)	2,055
Interest and other income (expense).....	193	1,951	4,220
Interest expense and amortization of deferred financing costs.....	(1,803)	(9,254)	(29,089)
Loss before income taxes and minority interests....	(947)	(11,893)	(35,747)
Provision for income taxes.....	(10)	(49)	(374)
Minority interests.....	--	--	(1,654)
Net loss.....	(957)	(11,942)	(37,775)
Dividends on preferred stock.....	--	(2,199)	(5,411)
Net loss after deduction of dividends on preferred stock.....	\$ (957)	\$(14,141)	\$(43,186)
Net loss.....	\$ (957)	\$(11,942)	\$(37,775)
Other comprehensive income:			
Foreign currency translation adjustments.....	--	562	1,128
Comprehensive loss.....	\$ (957)	\$(11,380)	\$(36,647)
Loss per common share--basic and diluted.....	\$(0.27)	\$ (2.27)	\$ (1.02)
Common shares outstanding--basic and diluted (in thousands).....	3,503	6,238	42,518

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,		
	1996	1997	1998
Cash flows from operating activities:			
Net loss.....	\$ (957)	\$(11,942)	\$(37,775)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Depreciation and amortization.....	1,242	6,952	37,239
Amortization of deferred financing costs and discounts on long-term debt.....	55	2,159	17,910
Non-cash compensation charges.....	--	--	12,758
Minority interests.....	--	--	1,654
Equity in losses (earnings) of unconsolidated affiliate.....	--	1,138	(2,055)
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase in accounts payable.....	323	1,824	15,373
Increase (decrease) in deferred rental revenues and other liabilities.....	219	(240)	5,847
Increase (decrease) in accrued interest.....	306	(396)	5,835
Decrease (increase) in receivables.....	(1,695)	1,353	(7,450)
Increase in inventories, prepaid expenses and other assets.....	(23)	(1,472)	(4,360)
Net cash provided by (used for) operating activities.....	(530)	(624)	44,976
Cash flows from investing activities:			
Capital expenditures.....	(890)	(18,035)	(138,759)
Acquisitions of businesses, net of cash acquired.....	(10,925)	(33,962)	(10,489)
Investments in affiliates.....	(2,101)	(59,487)	--
Net cash used for investing activities.....	(13,916)	(111,484)	(149,248)
Cash flows from financing activities:			
Proceeds from issuance of capital stock.....	10,503	139,867	339,929
Net borrowings (payments) under revolving credit agreements.....	11,000	(6,223)	9,212
Incurrence of financing costs.....	(180)	(7,798)	(3,010)
Purchase of capital stock.....	--	(2,132)	(883)
Proceeds from issuance of long-term debt.....	--	150,010	--
Principal payments on long-term debt.....	(130)	(113,881)	--
Net cash provided by financing activities.....	21,193	159,843	345,248
Effect of exchange rate changes on cash.....	--	--	396
Net increase in cash and cash equivalents.....	6,747	47,735	241,372
Cash and cash equivalents at beginning of year....	596	7,343	55,078
Cash and cash equivalents at end of year.....	\$ 7,343	\$ 55,078	\$296,450
	=====	=====	=====
Supplementary schedule of noncash investing and financing activities:			
Conversion of stockholder's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock.....	--	\$ 3,657	--
Amounts recorded in connection with acquisitions (see Note 2):			
Fair value of net assets acquired, including goodwill and other intangible assets.....	10,958	197,235	431,453
Issuance of common stock.....	--	57,189	420,964
Issuance of long-term debt.....	--	78,102	--
Assumption of long-term debt.....	--	27,982	--
Amounts due to seller.....	33	--	--
Supplemental disclosure of cash flow information:			
Interest paid.....	\$ 1,442	\$ 7,533	\$ 6,276
Income taxes paid.....	--	26	446

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		Common Stock		Class A Common Stock		Additional Paid-In Capital
	Shares	(\$.01 Par)	Shares	(\$.01 Par)	Shares	(\$.01 Par)	Shares	(\$.01 Par)	
Balance, January 1, 1996.....	1,350,000	\$ 3	1,433,330	\$ 3	--	\$ --	--	\$ --	\$ 634
Issuances of capital stock...	--	--	55,000	--	--	--	--	--	128
Net loss.....	--	--	--	--	--	--	--	--	--
Balance, December 31, 1996.....	1,350,000	3	1,488,330	3	--	--	--	--	762
Issuances of capital stock...	--	--	8,228,835	17	--	--	--	--	57,696
Purchase of capital stock...	(308,435)	(1)	(350,000)	(1)	--	--	--	--	(210)
Foreign currency translation adjustments.....	--	--	--	--	--	--	--	--	--
Dividends on preferred stock.....	--	--	--	--	--	--	--	--	--
Net loss.....	--	--	--	--	--	--	--	--	--
Balance, December 31, 1997.....	1,041,565	2	9,367,165	19	--	--	--	--	58,248
Conversion of preferred stock to Common Stock.....	--	--	--	--	38,517,865	385	--	--	164,712
Conversion of Class A Common Stock and Class B Common Stock to Common Stock.....	(1,041,565)	(2)	(9,367,165)	(19)	10,953,625	109	--	--	(88)
Issuances of capital stock...	--	--	--	--	33,793,453	338	11,340,000	113	560,779
Purchase of capital stock...	--	--	--	--	(141,070)	(1)	--	--	(882)
Non-cash compensation charges.....	--	--	--	--	--	--	--	--	12,384
Foreign currency translation adjustments.....	--	--	--	--	--	--	--	--	--
Dividends on preferred stock.....	--	--	--	--	--	--	--	--	--
Net loss.....	--	--	--	--	--	--	--	--	--
Balance, December 31, 1998.....	--	\$ --	--	\$ --	83,123,873	\$831	11,340,000	\$113	\$795,153
	=====	=====	=====	=====	=====	=====	=====	=====	=====
	Cumulative Foreign Currency Translation Adjustment		Accumulated Deficit		Total				
Balance, January 1, 1996.....	\$ --	\$ (21)	\$ 619						
Issuances of capital stock...	--	--	128						
Net loss.....	--	(957)	(957)						
Balance, December 31, 1996.....	--	(978)	(210)						
Issuances of capital stock...	--	--	57,713						
Purchase of capital stock...	--	(1,920)	(2,132)						
Foreign currency translation adjustments.....	562	--	562						
Dividends on preferred stock.....	--	(2,199)	(2,199)						
Net loss.....	--	(11,942)	(11,942)						
Balance, December									

31, 1997.....	562	(17,039)	41,792
Conversion of preferred stock to Common Stock.....	--	--	165,097
Conversion of Class A Common Stock and Class B Common Stock to Common Stock.....	--	--	--
Issuances of capital stock...	--	--	561,230
Purchase of capital stock...	--	--	(883)
Non-cash compensation charges.....	--	--	12,384
Foreign currency translation adjustments.....	1,128	--	1,128
Dividends on preferred stock.....	--	(5,411)	(5,411)
Net loss.....	--	(37,775)	(37,775)

Balance, December 31, 1998.....	\$1,690	\$(60,225)	\$737,562
=====			

See notes to consolidated financial statements.

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 majority and 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 owns, operates and manages wireless communications sites and broadcast transmission networks. The Company also provides complementary services to its customers, including network design, radio frequency engineering, site acquisition, site development and construction, antenna installation and network management and maintenance. The Company's communications sites are located throughout the United States, in Puerto Rico and in the United Kingdom. In the United States and Puerto Rico, the Company's primary business is the leasing of antenna space to wireless operators under long-term contracts. In the United Kingdom, the Company's primary business is the operation of television and radio broadcast transmission networks; the Company also leases antenna space to wireless operators in the United Kingdom.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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. Broadcast transmission revenues are recognized on a monthly basis under transmission contracts with terms ranging from 8 years to 12 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 design, engineering, site acquisition, and network management and maintenance 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.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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,		
	1996	1997	1998
	(In thousands of dollars, except per share amounts)		
Net loss.....	\$ (957)	\$(11,942)	\$(37,775)
Dividends on preferred stock.....	--	(2,199)	(5,411)
Net loss applicable to common stock for basic and diluted computations.....	\$ (957)	\$(14,141)	\$(43,186)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands).....	3,503	6,238	42,518
Loss per common share--basic and diluted.....	\$(0.27)	\$ (2.27)	\$ (1.02)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of December 31, 1998: (i) options to purchase 16,585,197 shares of common stock at exercise prices ranging from \$-0- to \$17.625 per share; (ii) warrants to purchase 1,314,990 shares of common stock at an exercise price of \$7.50 per share; and (iii) shares of Castle Transmission Services (Holdings) Ltd ("CTI") stock which are convertible into 17,443,500 shares of common stock. The inclusion of such potential common shares in the diluted per share computations would be antidilutive since the Company incurred net losses for each of the three years in the period ended December 31, 1998.

Foreign Currency Translation

CTI uses the British pound as the functional currency for its operations. The Company translates CTI's results of operations using the average exchange rate for the period, and translates CTI's assets and liabilities 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.

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 and the 9% Guaranteed

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Bonds is based on quoted market prices, and 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, 1997		December 31, 1998	
Carrying Amount	Fair Value	Carrying Amount	Fair Value

(In thousands of dollars)

Cash and cash equivalents.....	\$ 55,078	\$ 55,078	\$296,450	\$296,450
Long-term debt.....	(156,293)	(161,575)	(429,710)	(443,379)
Interest rate swap agreement.....	--	(97)	--	(47)

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 plans (see Note 9). 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 9 for the disclosures required by SFAS 123.

Recent Accounting Pronouncements

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 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 has adopted the requirements of SFAS 131 in its financial statements for the year ended December 31, 1998 (see Note 13).

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 ending March 31, 1999; it is currently estimated that such charge will amount to approximately \$2,300,000.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments will be recorded either in results of operations or in other comprehensive income, depending on the intended use of the derivative instrument. The initial application of SFAS 133 will be reported as the effect of a change in accounting principle. SFAS 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. The Company will adopt the requirements of SFAS 133 in its financial statements for the three months ending March 31, 2000. The Company has not yet determined the effect that the adoption of SFAS 133 will have on its consolidated financial statements.

2. Acquisitions

During the three years in the period ended December 31, 1998, 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.

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 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 \$1,039,000 consisted of \$1,006,000 in cash and a \$33,000 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

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 8), 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 Castle Tower Corporation ("CTC," a wholly owned operating subsidiary) with and into CCI, establishing CCI as the principal domestic operating subsidiary of the Company.

CTI

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 agreed to exchange their shares of CTI for shares of the Company. On August 18, 1998, the exchange was consummated and the Company's ownership of CTI increased from approximately 34.3% to 80%. The Company issued 20,867,700 shares of its Common Stock and 11,340,000 shares of its Class A Common Stock, with such shares valued at an aggregate of \$418,700,000 (based on the price per share to the public in the Company's initial public offering as discussed in Note 9). The Company recognized goodwill of \$344,204,000 in connection with this transaction, which was accounted for as an acquisition using the purchase method. CTI's results of operations and cash flows are included in the consolidated financial statements for the period subsequent to the date the exchange was consummated.

Pro Forma Results of Operations (Unaudited)

The following unaudited pro forma summary presents consolidated results of operations for the Company as if (i) the TEA and Crown acquisitions had been consummated as of January 1, 1997 and (ii) the share exchange with CTI's shareholders had been consummated as of January 1 for both 1997 and 1998. Appropriate adjustments have been reflected for depreciation and amortization, interest expense, amortization of deferred financing costs, income taxes and certain nonrecurring

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

income and expenses recorded by the Company in connection with the investment in CTI in 1997 (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,	
	1997	1998
	(In thousands of dollars, except per share amounts)	
Net revenues.....	\$ 180,936	\$ 210,041
Net loss.....	(34,601)	(46,517)
Loss per common share--basic and diluted.....	(0.60)	(0.72)

Agreement with Nextel Communications, Inc. ("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 24, 1999, the Company had purchased 49 of such towers for an aggregate price of \$11,019,000 in cash.

Millennium Communications Limited ("Millennium")

On October 8, 1998, the Company acquired all of the outstanding shares of Millennium. Millennium develops, owns and operates telecommunications towers and related assets in the United Kingdom. On the date of acquisition, Millennium owned 102 tower sites. Millennium is being operated as a subsidiary of CTI. The purchase price of \$14,473,000 consisted of \$9,813,000 in cash, the repayment of \$2,396,000 in outstanding debt and 358,678 shares of the Company's common stock valued at \$2,264,000 (the market value of such common stock on that date).

Agreement with Bell Atlantic Mobile ("BAM")

On December 8, 1998, the Company entered into an agreement with BAM to form a joint venture ("Crown Atlantic") to own and operate a significant majority of BAM's towers. Upon formation of Crown Atlantic (which is currently expected to occur in March 1999), (i) the Company will contribute to Crown Atlantic \$250,000,000 in cash and 15,575,046 shares of its Common Stock in exchange for a 62.3% ownership interest in Crown Atlantic, (ii) Crown Atlantic will borrow \$180,000,000 under a committed \$250,000,000 revolving credit facility, and (iii) BAM will contribute to Crown Atlantic approximately 1,427 towers in exchange for a cash distribution of \$380,000,000 from Crown Atlantic and a 37.7% ownership interest in Crown Atlantic. Upon dissolution of Crown Atlantic, BAM would receive (i) the shares of the Company's Common Stock contributed to Crown Atlantic and (ii) a payment (either in cash or in shares of the Company's Common Stock, at the Company's election) equal to 14.0% of the fair market value of Crown Atlantic's other net assets; the Company would then receive the remaining assets and liabilities of Crown Atlantic. The Company will account for its investment in Crown Atlantic as an acquisition using the purchase method, and will include Crown Atlantic's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to formation.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

3. Property and Equipment

The major classes of property and equipment are as follows:

	Estimated Useful Lives	December 31, ----- 1997	1998 -----
		(In thousands of dollars)	
Land and buildings.....	0-50 years	\$ 1,930	\$ 58,767
Telecommunications towers and broadcast transmission equipment.....	5-20 years	76,847	532,907
Transportation and other equipment.....	3-10 years	4,379	11,452
Office furniture and equipment.....	5-7 years	3,664	12,248
		86,820	615,374
Less: accumulated depreciation.....		(4,852)	(22,780)
		\$81,968	\$592,594
		=====	=====

Depreciation expense for the years ended December 31, 1997 and 1998 was \$2,886,000 and \$20,638,000, respectively. Accumulated depreciation on telecommunications towers and broadcast transmission equipment was \$4,136,000 and \$15,995,000 at December 31, 1997 and 1998, respectively. At December 31, 1998, minimum rentals receivable under existing operating leases for towers are as follows: years ending December 31, 1999--\$183,244,000; 2000--\$187,311,000; 2001--\$185,097,000; 2002--\$179,641,000; 2003--\$171,329,000; thereafter--\$667,731,000.

4. Investments in Affiliates

Investment in 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 8) 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 accounted for its investment in CTI utilizing the equity method of accounting prior to the consummation of the share exchange agreement with CTI's shareholders in August 1998 (see Note 2).

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.

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.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Summarized financial information for CTI is as follows (for periods in which the Company accounted for CTI utilizing the equity method):

	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	Eight Months Ended August 31, 1998
	----- (In thousands of dollars) -----	----- (In thousands of dollars) -----
Net revenues.....	\$103,531	\$97,228
Operating expenses.....	86,999	78,605
	-----	-----
Operating income.....	16,532	18,623
Interest and other income.....	553	725
Interest expense and amortization of deferred financing costs.....	(20,404)	(13,378)
Provision for income taxes.....	--	--
	-----	-----
Net income (loss).....	\$ (3,319)	\$(5,970)
	=====	=====

5. Long-term Debt

Long-term debt consists of the following:

	December 31, 1997	December 31, 1998
	----- (In thousands of dollars) -----	----- (In thousands of dollars) -----
Senior Credit Facility.....	\$ 4,700	\$ 5,500
10 5/8% Senior Discount Notes due 2007, net of discount.....	151,593	168,099
CTI Credit Facility.....	--	55,177
9% Guaranteed Bonds due 2007.....	--	200,934
	-----	-----
	\$ 156,293	\$ 429,710
	=====	=====

Senior Credit Facility

CTC had a credit agreement with a bank (as amended, the "Bank Credit Agreement") which 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 8), 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). In November 1997, 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). Upon the merger of CTC into CCI in January 1998, CCI became the primary borrower under the Senior Credit Facility. In December 1998, the Company again repaid all of the outstanding borrowings under the Senior Credit Facility with a portion of the proceeds from the issuance of its 12 3/4% Senior Exchangeable Preferred Stock (see Note 8). As of December 31, 1998, approximately \$77,570,000 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, 1998.

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 CCI and the Company's pledge of the capital stock of CCI and its subsidiaries. In addition, the Senior Credit Facility is guaranteed by the Company. 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% (9.25% and 8.32%, respectively, at December 31, 1998). 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, 1998, 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

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 certain indebtedness, including accrued interest thereon, from a prior acquisition; 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 and \$82,901,000 at December 31, 1997 and 1998, respectively.

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 CTI Credit Facility and the CTI Bonds. 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, 1998, the Company was effectively precluded from paying dividends on its capital stock under the terms of the Indenture.

Reporting Requirements Under the Indenture (Unaudited)

The following information (as such capitalized terms are defined in the Indenture) is presented solely as a requirement of the Indenture; such information is not intended as an alternative measure of financial position, operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, the Company's measure of the following information may not be comparable to similarly titled measures of other companies.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Upon consummation of the share exchange with CTI's shareholders (see Note 2), which increased the Company's ownership interest in CTI to 80%, the Company designated CTI as an Unrestricted Subsidiary. In addition, the net proceeds from the Company's initial public offering of common stock (see Note 9) were placed into a newly formed subsidiary that was also designated as an Unrestricted Subsidiary. Prior to these transactions, the Company did not have any Unrestricted Subsidiaries. Summarized financial information for (i) the Company and its Restricted Subsidiaries and (ii) the Company's Unrestricted Subsidiaries is as follows:

December 31, 1998

	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
(In thousands of dollars)				
Cash and cash equivalents.....	\$ 41,785	\$ 254,665	\$ --	\$ 296,450
Other current assets....	19,585	26,081	--	45,666
Property and equipment, net.....	165,205	427,389	--	592,594
Investments in Unrestricted Subsidiaries.....	744,941	--	(744,941)	--
Goodwill and other intangible assets, net.....	143,729	426,011	--	569,740
Other assets, net.....	15,440	3,340	--	18,780
	<u>\$1,130,685</u>	<u>\$1,137,486</u>	<u>\$(744,941)</u>	<u>\$1,523,230</u>
Current liabilities.....	\$ 17,653	\$ 75,234	\$ --	\$ 92,887
Long-term debt.....	173,599	256,111	--	429,710
Other liabilities.....	808	22,015	--	22,823
Minority interests.....	--	39,185	--	39,185
Redeemable preferred stock.....	201,063	--	--	201,063
Stockholders' equity....	737,562	744,941	(744,941)	737,562
	<u>\$1,130,685</u>	<u>\$1,137,486</u>	<u>\$(744,941)</u>	<u>\$1,523,230</u>

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

	Three Months Ended December 31, 1998			Year Ended December 31, 1998		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues.....	\$ 17,030	\$43,787	\$60,817	\$ 55,023	\$58,055	\$113,078
Costs of operations (exclusive of depreciation and amortization).....	7,069	18,117	25,186	23,446	24,372	47,818
General and administrative.....	6,883	1,666	8,549	21,153	2,418	23,571
Corporate development...	1,787	--	1,787	4,625	--	4,625
Non-cash compensation charges.....	523	874	1,397	9,907	2,851	12,758
Depreciation and amortization.....	4,879	15,255	20,134	16,921	20,318	37,239
Operating income (loss).....	(4,111)	7,875	3,764	(21,029)	8,096	(12,933)
Equity in earnings of unconsolidated affiliate.....	--	--	--	2,055	--	2,055
Interest and other income (expense).....	(285)	2,212	1,927	1,101	3,119	4,220
Interest expense and amortization of deferred financing costs.....	(5,823)	(5,685)	(11,508)	(21,727)	(7,362)	(29,089)
Provision for income taxes	(156)	--	(156)	(374)	--	(374)
Minority interests.....	--	(1,326)	(1,326)	--	(1,654)	(1,654)
Net loss.....	\$(10,375)	\$ 3,076	\$(7,299)	\$(39,974)	\$ 2,199	\$(37,775)

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

	(In thousands of dollars)
Tower Cash Flow, for the three months ended December 31, 1998....	\$ 3,868
Consolidated Cash Flow, for the twelve months ended December 31, 1998.....	\$ 6,001
Less: Tower Cash Flow, for the twelve months ended December 31, 1998.....	(14,811)
Plus: four times Tower Cash Flow, for the three months ended December 31, 1998.....	15,472
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 1998.....	\$ 6,662

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

CTI Credit Facility

CTI has a credit agreement with a syndicate of banks (as amended, the "CTI Credit Facility") which consists of a (Pounds)64,000,000 (approximately \$106,419,000) secured revolving line of credit. Available borrowings under the CTI Credit Facility are generally to be used to finance capital expenditures and for working capital and general corporate purposes. As of December 31, 1998, approximately \$51,243,000 of borrowings was available under the CTI Credit Facility.

The loan commitment under the CTI Credit Facility will be automatically reduced to zero in three equal semi-annual installments beginning on May 31, 2001 until May 31, 2002, when the CTI Credit Facility matures. Under certain circumstances, CTI may be required to make principle prepayments from the proceeds of certain asset sales.

The CTI Credit Facility is secured by substantially all of CTI's assets. Borrowings under the CTI Credit Facility bear interest at a rate per annum equal to a Eurodollar interbank offered rate (LIBOR) plus 0.85% (approximately 6.99% at December 31, 1998). Interest is due at the end of the period (from one to six months) for which such LIBOR rate is in effect. The CTI Credit Facility requires CTI to maintain certain financial covenants and places restrictions on CTI'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.

9% Guaranteed Bonds due 2007 ("CTI Bonds")

CTI has issued (Pounds)125,000,000 (approximately \$207,850,000) aggregate principal amount of the CTI Bonds. Interest payments on the CTI Bonds are due annually on each March 30. The maturity date of the CTI Bonds is March 30, 2007. The CTI Bonds are stated net of unamortized discount.

The CTI Bonds are redeemable, at the option of CTI, in whole or in part at any time, at the greater of their principal amount and such a price as will provide a gross redemption yield 0.5% per annum above the gross redemption yield on the benchmark gilt plus, in either case, accrued and unpaid interest. Under certain circumstances, each holder of the CTI Bonds has the right to require CTI to repurchase all or a portion of such holder's CTI Bonds at a price equal to 101% of their aggregate principal amount plus accrued and unpaid interest.

The CTI Bonds are guaranteed by CTI; however, they are unsecured and effectively subordinate to the outstanding borrowings under the CTI Credit Facility. The trust deed governing the CTI Bonds places restrictions on CTI's ability to, among other things, pay dividends and make capital distributions, make investments, incur additional debt and liens, dispose of assets and undertake transactions with affiliates.

Restricted Net Assets of Subsidiaries

Under the terms of the Senior Credit Facility, the CTI Credit Facility and the CTI Bonds, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. For CCI, 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 Restricted Subsidiaries. CTI is effectively precluded from paying dividends. The restricted net assets of the Company's subsidiaries totaled approximately \$826,321,000 at December 31, 1998.

Interest Rate Swap Agreement

The interest rate swap agreement had an outstanding notional amount of \$17,925,000 at January 29, 1997 (inception) and terminated on February 24, 1999. The Company paid a fixed rate

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

of 6.28% on the notional amount and received a floating rate based on LIBOR. This agreement effectively changed 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,		
	1996	1997	1998
	(In thousands of dollars)		
Current:			
State.....	\$ --	\$ --	\$ 365
Puerto Rico.....	10	49	9
	\$ 10	\$ 49	\$ 374
	=====	=====	=====

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,		
	1996	1997	1998
	(In thousands of dollars)		
Benefit for income taxes at statutory rate.....	\$(322)	\$(4,044)	\$(12,154)
Stock-based compensation.....	--	--	2,844
Amortization of intangible assets.....	--	478	604
State and foreign taxes, net of federal tax benefit.....	--	--	247
Expenses for which no federal tax benefit was recognized.....	5	28	151
Puerto Rico taxes.....	10	49	9
Acquisition costs.....	--	--	(675)
Foreign earnings not subject to tax.....	--	--	(584)
Changes in valuation allowances.....	315	3,650	9,944
Other.....	2	(112)	(12)
	\$ 10	\$ 49	\$ 374
	=====	=====	=====

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

The components of the net deferred income tax assets and liabilities are as follows:

	December 31,	
	1997	1998
(In thousands of dollars)		
Deferred income tax liabilities:		
Property and equipment.... \$	2,487	\$ 6,045
Puerto Rico earnings.....	75	84
Intangible assets.....	276	--
Other.....	38	--
Total deferred income tax liabilities.....	2,876	6,129
Deferred income tax assets:		
Net operating loss carryforwards.....	6,800	19,071
Noncompete agreement.....	37	464
Intangible assets.....	--	351
Accrued liabilities.....	--	68
Other.....	--	45
Receivables allowance.....	6	41
Valuation allowances.....	(3,967)	(13,911)
Total deferred income tax assets, net.....	2,876	6,129
Net deferred income tax liabilities..... \$	--	\$ --
	=====	=====

Valuation allowances of \$3,967,000 and \$13,911,000 were recognized to offset net deferred income tax assets as of December 31, 1997 and 1998, respectively.

At December 31, 1998, the Company has net operating loss carryforwards of approximately \$56,000,000 which are available to offset future federal taxable income. These loss carryforwards will expire in 2010 through 2018. The utilization of the loss carryforwards is subject to certain limitations.

7.Minority Interests

Minority interests represent the minority stockholder's interest in CTI.

8.Redemable Preferred Stock

Exchangeable Preferred Stock

On December 16, 1998, the Company issued 200,000 shares of its 12 3/4% Senior Exchangeable Preferred Stock due 2010 (the "Exchangeable Preferred Stock") at a price of \$1,000 per share (the liquidation preference per share). The net proceeds received by the Company from the sale of such shares amounted to approximately \$193,000,000 (after underwriting discounts of \$7,000,000 but before other expenses of the offering, which amounted to approximately \$8,059,000). A portion of the net proceeds was used to repay outstanding borrowings under the Senior Credit Facility of \$73,750,000, and the remaining net proceeds are currently invested in short-term investments.

The holders of the Exchangeable Preferred Stock are entitled to receive cumulative dividends at the rate of 12 3/4% per share, compounded quarterly on each March 15, June 15, September 15 and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 15 of each year, beginning on March 15, 1999. On or before December 15, 2003, the Company has the option to pay dividends in cash or in additional shares of Exchangeable Preferred Stock. After December 15, 2003, dividends are payable only in cash.

The Company is required to redeem all outstanding shares of Exchangeable Preferred Stock on December 15, 2010 at a price equal to the liquidation preference plus accumulated and unpaid dividends. On or after December 15, 2003, the shares are redeemable at the option of the Company, in whole or in part, at a price of 106.375% of the liquidation preference. The redemption price is reduced on an annual basis until December 15, 2007, at which time the shares are redeemable at the liquidation preference. Prior to December 15, 2001, the Company may redeem up to 35% of the Exchangeable Preferred Stock, at a price of 112.75% of the liquidation preference, with the net proceeds from certain public equity offerings. The shares of Exchangeable Preferred Stock are exchangeable, at the option of the Company, in whole but not in part, for 12 3/4% Senior Subordinated Exchange Debentures due 2010.

The Company's obligations with respect to the Exchangeable Preferred Stock are subordinate to all indebtedness of the Company (including the Notes), and are effectively subordinate to all debt and liabilities of the Company's subsidiaries (including the Senior Credit Facility, the CTI Credit Facility and the CTI Bonds). The certificate of designations governing the Exchangeable Preferred Stock 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.

Senior 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 were entitled to receive cumulative dividends at the rate of 12.5% per share, compounded annually. At the option of the holder, each share of Senior Preferred Stock (plus any accrued and unpaid dividends) was convertible, at any time, into shares of the Company's 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 represented the estimated fair value of the common stock on that date. In July 1998, all of the shares of Senior Preferred Stock were converted into shares of common stock (see Note 9).

The purchasers of the Senior Preferred Stock were also issued warrants to purchase an aggregate 1,314,990 shares of the Company's 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 represented the estimated fair value of the common stock on that date. As such, the Company has not assigned any value to the warrants in its consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Series Preferred Stock

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") were entitled to receive dividends, if and when declared, at the same rate as dividends were declared and paid with respect to the Company's common stock. Each of the outstanding shares of Series Preferred Stock was automatically converted into five shares of common stock upon consummation of the Company's initial public offering (see Note 9).

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).

9. Stockholders' Equity

Common Stock

On August 18, 1998, the Company consummated its initial public offering of common stock at a price to the public of \$13 per share (the "IPO"). The Company sold 12,320,000 shares of its common stock and received proceeds of \$151,043,000 (after underwriting discounts of \$9,117,000 but before other expenses of the IPO, which amounted to approximately \$4,116,000). The net proceeds from the IPO are currently invested in short-term investments.

In anticipation of the IPO, 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.

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

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. In August 1998, the Company repurchased, and subsequently retired, 141,070 shares of its common stock from a former employee at a cost of approximately \$883,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Class A Common Stock

Upon consummation of the share exchange agreement with CTI's shareholders (see Note 2), an affiliate of CTI's remaining minority shareholder received all of the currently outstanding shares of the Company's Class A Common Stock. Each share of Class A Common Stock is convertible, at the option of its holder at any time, into one share of Common Stock. The holder of the Class A Common Stock is entitled to one vote per share on all matters presented to a vote of the Company's shareholders, except with respect to the election of directors. The holder of the Class A Common Stock, voting as a separate class, has the right to elect up to two members of the Company's Board of Directors. The shares of Class A Common Stock also provide certain governance and anti-dilutive rights.

Compensation Charges Related to Stock Option Grants

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

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 18,000,000 shares of the Company's common stock were 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.

Upon consummation of the share exchange agreement with CTI's shareholders (see Note 2), the Company adopted each of the various CTI stock option plans. All outstanding options to purchase shares of CTI under such plans have been converted into options to purchase shares of the Company's common stock. Up to 4,392,451 shares of the Company's common stock were reserved for awards granted under the CTI plans, and these options generally vest over periods of up to three years from the date of grant.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

A summary of awards granted under the various stock option plans is as follows for the years ended December 31, 1996, 1997 and 1998:

	1996		1997		1998	
	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	\$0.53	1,050,000	\$0.89	3,694,375	\$4.69
Options granted.....	225,000	2.22	3,042,500	5.46	9,024,720	10.02
Options outstanding under CTI stock option plans.....	--	--	--	--	4,367,202	2.74
Options exercised.....	--	--	(363,125)	0.53	(216,650)	4.89
Options forfeited.....	--	--	(35,000)	1.20	(284,450)	5.72
Options outstanding at end of year.....	1,050,000	0.89	3,694,375	4.69	16,585,197	7.06
Options exercisable at end of year.....	721,250	0.43	728,875	2.49	7,615,649	4.75

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. In August 1998, certain outstanding options became fully or partially vested upon consummation of the IPO. A summary of options outstanding as of December 31, 1998 is as follows:

Exercise Prices	Number of Options Outstanding	Weighted- Average Remaining Contractual Life	Number of Options Exercisable
\$ -0- to \$ 0.40	677,108	7.0 years	494,709
1.20 to 1.60	123,750	7.1 years	123,750
2.37 to 3.09	3,316,600	7.8 years	2,266,600
4.01 to 6.00	2,607,621	8.2 years	1,833,960
7.50 to 7.77	5,694,692	9.3 years	2,821,630
10.04 to 12.50	450,426	9.9 years	--
13.00	3,590,000	9.6 years	75,000
17.63	125,000	10.0 years	--
	16,585,197	9.1 years	7,615,649

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

The weighted-average fair value of options granted during the years ended December 31, 1996, 1997 and 1998 was \$0.50, \$1.30 and \$4.54, 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 was used prior to the IPO):

	Years Ended December 31,		
	1996	1997	1998
Risk-free interest rate.....	6.4%	6.1%	5.38%
Expected life.....	4.0 years	4.5 years	3.6 years
Expected volatility.....	0%	0%	0% to 30%
Expected dividend yield.....	0%	0%	0%

The exercise prices for options granted during the years ended December 31, 1996 and 1997 were equal to or in excess of the estimated fair value of the Company's common stock at the date of grant. As such, no compensation cost was recognized for stock options during those years (see Note 1 and "Compensation Charges Related to Stock Option Grants"). 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, 1996, 1997 and 1998 would have been \$973,000 (\$0.28 per share), \$12,586,000 (\$2.37 per share) and \$75,660,000 (\$1.91 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, 1998, the Company had the following shares reserved for future issuance:

Common Stock:

Class A Common Stock.....	11,340,000
Shares of CTI stock which are convertible into common stock....	17,443,500
Stock option plans.....	21,812,676
Warrants.....	1,314,990

	51,911,166
	=====

10. 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 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 and \$197,000 for the years ended December 31, 1997 and 1998, respectively.

CTI has a defined benefit plan which covers all of its employees hired on or before March 1, 1997. Employees hired after that date are not eligible to participate in this plan. The net periodic pension cost attributable to this plan for the four months ended December 31, 1998 was \$1,115,000. As of December 31, 1998, (i) the accumulated benefit obligation under this plan amounted to \$13,635,000 (all of which was vested); (ii) the projected benefit obligation amounted to \$15,298,000; (iii) the fair value of the plan's assets amounted to \$15,848,000; and (iv) the prepaid pension cost attributable to this plan amounted to \$1,704,000.

11. 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 \$50,000 and \$130,000 for the years ended December 31, 1996 and 1997, respectively.

Included in other receivables at December 31, 1997 and 1998 are amounts due from employees of the Company totaling \$499,000 and \$368,000, respectively.

12. Commitments and Contingencies

At December 31, 1998, minimum rental commitments under operating leases are as follows: years ending December 31, 1999--\$19,721,000; 2000--\$19,456,000; 2001--\$19,298,000; 2002--\$19,293,000; 2003--\$18,996,000; thereafter--\$112,848,000. Rental expense for operating leases was \$277,000, \$1,712,000 and \$9,620,000 for the years ended December 31, 1996, 1997 and 1998, 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.

13. Operating Segments and Concentrations of Credit Risk

Operating Segments

The Company's reportable operating segments for 1998 are (i) the domestic operations of CCI and (ii) the United Kingdom operations of CTI. Financial results for the Company are reported to management and the Board of Directors in this manner, and much of the Company's current debt financing is structured along these geographic lines. In addition, the Company's financial performance is evaluated by outside securities analysts based on these operating segments. See Note 1 for a description of the primary revenue sources from these two segments.

As discussed in Note 2, CTI's results of operations are included in the Company's consolidated financial statements beginning in 1998. Prior to that time, the domestic operations of CCI represented the Company's only reportable segment.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

The measurement of profit or loss currently used to evaluate the results of operations for the Company and its operating segments is earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Company defines EBITDA as operating income (loss) plus depreciation and amortization and non-cash compensation charges. EBITDA is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles), and the Company's measure of EBITDA may not be comparable to similarly titled measures of other companies. There are no significant revenues resulting from transactions between the Company's operating segments. Total assets for the Company's operating segments are determined based on the separate consolidated balance sheets for CCI and CTI. The results of operations and financial position for CTI reflect appropriate adjustments for their presentation in accordance with generally accepted accounting principles in the United States. The financial results for the Company's operating segments are as follows:

Year Ended December 31, 1998				
	CCI	CTI	Corporate Office and Other	Consolidated Total
(In thousands of dollars)				
Net revenues:				
Site rental and broadcast transmission.....	\$ 22,541	\$ 52,487	\$ --	\$ 75,028
Network services and other.....	31,471	5,568	1,011	38,050
	54,012	58,055	1,011	113,078
Costs of operations (exclusive of depreciation and amortization)...	23,076	24,372	370	47,818
General and administrative.....	17,929	2,418	3,224	23,571
Corporate development.....	--	--	4,625	4,625
EBITDA.....	13,007	31,265	(7,208)	37,064
Non-cash compensation charges.....	132	2,851	9,775	12,758
Depreciation and amortization.....	16,202	20,318	719	37,239
Operating income (loss).....	(3,327)	8,096	(17,702)	(12,933)
Equity in earnings of unconsolidated affiliate	--	--	2,055	2,055
Interest and other income (expense).....	(253)	294	4,179	4,220
Interest expense and amortization of deferred financing costs.....	(4,476)	(7,362)	(17,251)	(29,089)
Provision for income taxes.....	(374)	--	--	(374)
Minority interests.....	--	(1,654)	--	(1,654)
Net loss.....	\$ (8,430)	\$ (626)	\$(28,719)	\$ (37,775)
Capital expenditures.....	\$ 84,911	\$ 50,224	\$ 3,624	\$ 138,759
Total assets (at year end).....	\$332,555	\$887,938	\$302,737	\$1,523,230
Investments in affiliates (at year end).....	\$ --	\$ --	\$ 2,258	\$ 2,258

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

	Years Ended December 31,					
	1996			1997		
	CCI	Corporate Office and Other	Consolidated Total	CCI	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission.....	\$ 5,615	\$ --	\$ 5,615	\$ 11,010	\$ --	\$ 11,010
Network services and other.....	592	--	592	20,066	329	20,395
	6,207	--	6,207	31,076	329	31,405
Costs of operations (exclusive of depreciation and amortization).....	1,300	--	1,300	15,350	--	15,350
General and administrative.....	1,678	--	1,678	6,675	149	6,824
Corporate development...	75	1,249	1,324	1,864	3,867	5,731
EBITDA.....	3,154	(1,249)	1,905	7,187	(3,687)	3,500
Depreciation and amortization	1,242	--	1,242	6,925	27	6,952
Operating income (loss).....	1,912	(1,249)	663	262	(3,714)	(3,452)
Equity in earnings (losses) of unconsolidated affiliate.....	--	--	--	--	(1,138)	(1,138)
Interest and other income (expense).....	22	171	193	(77)	2,028	1,951
Interest expense and amortization of deferred financing costs.....	(1,803)	--	(1,803)	(4,660)	(4,594)	(9,254)
Credit (provision) for income taxes.....	(59)	49	(10)	--	(49)	(49)
Net income (loss).....	\$ 72	\$(1,029)	\$ (957)	\$ (4,475)	\$ (7,467)	\$(11,942)
Capital expenditures....	\$ 890	\$ --	\$ 890	\$ 17,200	\$ 835	\$ 18,035
Total assets (at year end).....				\$250,911	\$120,480	\$371,391
Investments in affiliates (at year end).....				\$ --	\$ 59,082	\$ 59,082

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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Geographic Information

A summary of net revenues by country, based on the location of the Company's subsidiary, is as follows:

	Years Ended December 31,		
	1996	1997	1998
	(In thousands of dollars)		
United States.....	\$5,050	\$29,076	\$ 51,807
Puerto Rico.....	1,157	2,329	2,470
Total domestic operations.....	6,207	31,405	54,277
United Kingdom.....	--	--	58,055
Other foreign countries.....	--	--	746
Total for all foreign countries.....	--	--	58,801
	\$6,207	\$31,405	\$113,078
	=====	=====	=====

A summary of long-lived assets by country of location is as follows:

	December 31,	
	1997	1998
	(In thousands of dollars)	
United States.....	\$237,125	\$ 310,953
Puerto Rico.....	10,145	14,473
Total domestic operations.....	247,270	325,426
United Kingdom.....	56,965	855,560
Other foreign countries.....	--	128
Total for all foreign countries.....	56,965	855,688
	\$304,235	\$1,181,114
	=====	=====

Major Customers

For the years ended December 31, 1996, 1997 and 1998, CCI had revenues from a single customer amounting to \$2,634,000, \$5,998,000 and \$14,168,000, respectively. For the year ended December 31, 1998, consolidated net revenues includes \$33,044,000 from a single customer of CTI.

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 the United Kingdom, 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.

14. Quarterly Financial Information (Unaudited)

Summary quarterly financial information for the years ended December 31, 1997 and 1998 is as follows:

	Three Months Ended			
	March 31	June 30	September 30	December 31
	(In thousands of dollars, except per share amounts)			
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)
1998:				
Net revenues.....	\$11,837	\$11,530	\$28,894	\$60,817
Operating income (loss).....	(2,494)	(2,197)	(12,006)	3,764
Net loss.....	(6,606)	(6,426)	(17,444)	(7,299)
Loss per common share--basic and diluted.....	(0.79)	(0.78)	(0.33)	(0.09)

15. Subsequent Events (Unaudited)

BellSouth Mobility Inc. and BellSouth Telecommunications Inc. ("BellSouth")

In March 1999, the Company entered into an agreement with BellSouth to acquire the operating rights for approximately 1,850 of their towers. The transaction is structured as a lease agreement and will be treated as a sale of the towers for tax purposes. The Company will pay BellSouth consideration of \$610,000,000, consisting of \$430,000,000 in cash and \$180,000,000 in shares of its common stock. The Company will account for this transaction as a purchase of tower assets. The transaction is expected to close over a period of up to eight months beginning in the second quarter of 1999. Upon entering into the agreement, the Company placed \$50,000,000 into an escrow account. In order to fund this escrow deposit, the Company borrowed \$45,000,000 under the Senior Credit Facility.

Powertel, Inc. ("Powertel")

In March 1999, the Company entered into an agreement with Powertel to purchase approximately 650 of their towers and related assets. The purchase price for these towers will be \$275,000,000 in cash. The Company will account for this transaction as an acquisition using the purchase method. Upon entering into the agreement, the Company placed \$50,000,000 into an escrow account. The Company funded this escrow deposit with borrowings under a \$100,000,000 loan agreement provided by a syndicate of investment banks. The remaining \$50,000,000 of borrowings under this loan agreement were used to repay the amount drawn under the Senior Credit Facility in connection with the BellSouth escrow deposit.

Proposed Securities Offerings

The Company intends to offer shares of its common stock and debt securities in concurrent underwritten public offerings. The proceeds from such offerings would be used to repay amounts drawn under the loan agreement in connection with the BellSouth and Powertel transactions, and to pay the remaining purchase price for such transactions. Any securities will only be offered by means of a prospectus forming a part of a registration statement filed with the Securities and Exchange Commission. There can be no assurance that such securities offerings can be successfully completed.

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			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	Period from April 1, 1997 to December 31, 1997	Eight Months Ended August 31, 1998
		(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Turnover.....	3	70,367	70,614	12,805	6,433	56,752	59,033
Changes in stocks and work in progress.....		(635)	(554)	(150)	340	747	(1,279)
Own work capitalised....		4,653	3,249	308	170	1,127	2,440
Raw materials and consumables.....		14	(1,155)	(387)	(446)	(2,410)	(281)
Other external charges..		(34,750)	(26,191)	(4,130)	(1,668)	(13,811)	(14,900)
Staff costs.....	4	(17,197)	(16,131)	(3,104)	(1,421)	(14,345)	(16,032)
Depreciation and other amounts written off tangible and intangible assets.....	5	(12,835)	(13,038)	(2,464)	(1,819)	(16,854)	(15,594)
Other operating charges.....		(1,832)	(2,792)	(181)	(344)	(2,430)	(2,175)
		(62,582)	(56,612)	(10,108)	(5,188)	(47,976)	(47,821)
Operating profit.....		7,785	14,002	2,697	1,245	8,776	11,212
Other interest receivable and similar income.....		--	--	--	49	288	440
Interest payable and similar charges.....	7	--	--	--	(969)	(12,419)	(9,507)
		-----	-----	-----	-----	-----	-----
Profit/(loss) on ordinary activities before and after taxation.....	3-6, 8	7,785	14,002	2,697	325	(3,355)	2,145
Additional finance cost of non-equity shares...		--	--	--	(318)	(2,862)	--
		-----	-----	-----	-----	-----	-----
Retained profit/(loss) for the period.....		7,785	14,002	2,697	7	(6,217)	2,145
		=====	=====	=====	=====	=====	=====

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 August 31, 1998
		(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Fixed assets					
Intangible.....	9	--	46,573	46,056	44,404
Tangible.....	10	202,592	206,162	206,134	229,124
		-----	-----	-----	-----
		202,592	252,735	252,190	273,528
Current assets					
Stocks.....	11	1,750	807	1,340	2,620
Debtors.....	12	4,714	10,344	13,230	11,639
Amounts owed by group undertakings.....		--	--	--	1,273
Cash at bank and in hand.....		--	9,688	8,152	9,198
		-----	-----	-----	-----
		6,464	20,839	22,722	24,730
Creditors: amounts fall- ing due within one year.....	13	(6,627)	(14,820)	(29,139)	(36,514)
		-----	-----	-----	-----
Net current assets/(liabilities)...		(163)	6,019	(6,417)	(11,784)
		-----	-----	-----	-----
Total assets less cur- rent liabilities.....		202,429	258,754	245,773	261,744
Creditors: amounts fall- ing due after more than one year.....	14	--	(154,358)	(143,748)	(149,535)
Provisions for liabili- ties and charges.....	15	--	(1,723)	(2,157)	(2,461)
		-----	-----	-----	-----
Net assets.....		202,429	102,673	99,868	109,748
		=====	=====	=====	=====
Capital and reserves					
Corporate funding.....		202,429	--	--	--
Called up share capi- tal.....	16	--	102,348	102,898	108,303
Profit and loss ac- count.....	17	--	325	(3,030)	1,445
		-----	-----	-----	-----
		202,429	102,673	99,868	109,748
		=====	-----	-----	-----
Shareholders' funds/(deficit)					
Equity.....			109	(6,107)	109,748
Non-equity.....			102,564	105,975	--
			-----	-----	-----
			102,673	99,868	109,748
			=====	=====	=====

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		
		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	Period from April 1, 1997 to December 31, 1997	Eight Months Ended August 31, 1998
Note		(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Cash inflow from operating activities...	21	24,311	26,427	5,161	5,756	27,983	37,302
Returns on investment and servicing of finance.....	22	--	--	--	(885)	(2,428)	(10,076)
Capital expenditure and financial investments..	22	(17,190)	(20,092)	(711)	(748)	(14,361)	(36,135)
Acquisitions and disposals.....	22	--	--	--	(251,141)	(307)	--
		-----	-----	-----	-----	-----	-----
Cash inflow/(outflow)...		7,121	6,335	4,450	(247,018)	10,887	(8,909)
Financing.....	22						
Net (decrease) in corporate funding.....		(7,121)	(6,335)	(4,450)	--	--	--
Issuance of shares.....		--	--	--	102,348	550	5,405
Increase/(decrease) in debt.....		--	--	--	154,358	(12,973)	5,000
Capital element of finance lease rentals.....		--	--	--	--	--	(450)
		-----	-----	-----	-----	-----	-----
		(7,121)	(6,335)	(4,450)	256,706	(12,423)	9,955
		-----	-----	-----	-----	-----	-----
Increase/(decrease) in cash.....		--	--	--	9,688	(1,536)	1,046
		=====	=====	=====	=====	=====	=====
Reconciliation of net cash flow to movement in net debt.....	23						
Increase/(decrease) in cash in the period.....		--	--	--	9,688	(1,536)	1,046
Cash (inflow)/outflow from (increase)/decrease in debt.....		--	--	--	(154,358)	12,973	(4,550)
		-----	-----	-----	-----	-----	-----
Change in net debt resulting from cash flow.....		--	--	--	(144,670)	11,437	(3,504)
New finance leases.....		--	--	--	--	(711)	(797)
Amortisation of bank loan issue costs.....		--	--	--	--	(2,087)	(159)
Amortisation of Guaranteed Bonds.....		--	--	--	--	(55)	(179)
		-----	-----	-----	-----	-----	-----
Movement in net debt in the period.....		--	--	--	(144,670)	8,584	(4,639)
Net debt at beginning of the period.....		--	--	--	--	(144,670)	(136,086)
		-----	-----	-----	-----	-----	-----
Net debt at end of the period.....		--	--	--	(144,670)	(136,086)	(140,725)
		=====	=====	=====	=====	=====	=====

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	Period from April 1, 1997 to December 31, 1997	Eight Months Ended August 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Profit/(loss) for the period.....	7,785	14,002	2,697	325	(3,355)	2,145
Net (decrease) in corporate funding.....	(7,121)	(6,335)	(4,450)	--	--	--
New share capital subscribed.....	--	--	--	102,348	550	5,405
Charge on share option arrangements.....	--	--	--	--	--	2,330
	-----	-----	-----	-----	-----	-----
Net additions/(deductions) to corporate funding/shareholders' funds.....	664	7,667	(1,753)	102,673	(2,805)	9,880
Opening corporate funding/shareholders' funds.....	201,765	202,429	211,849	--	102,673	99,868
	-----	-----	-----	-----	-----	-----
Closing corporate funding/shareholders' funds.....	202,429	210,096	210,096	102,673	99,868	109,748
	=====	=====	=====	=====	=====	=====

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

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

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 and as of and for the eight months ended August 31, 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 eight month period ended August 31, 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 improve-		
ments.....	20 years	20 years
Short leasehold land and buildings.....	Unexpired term	Unexpired term
No depreciation is provided on freehold		
land.....		

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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	Period from	Period from	Period from
	March 31,	April 1,	February 28, 1997	April 1,
	1996	1996 to	to March 31,	1997 to
		February 27,	1997	December 31,
		1997		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
	=====	=====	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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
	=====	=====	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 over- drafts.....	--	--	934	3,315
On all other loans.....	--	--	--	6,934
Finance charges payable in respect of finance leases and hire pur- chase 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.

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9 Intangible assets

Castle Transmission

	As at March 31, 1997	As at December 31, 1997
	----- (Pounds)000	----- (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	Plant and machinery	Computer equipment	Assets under construction	Total
	----- (Pounds)000	----- (Pounds)000	----- (Pounds)000	----- (Pounds)000	----- (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
	=====	=====	=====	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
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	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
	=====	=====	===	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 August 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Work in progress (see note 13).....	--	--	274	1,421
Spares and manufacturing stocks.....	1,750	807	1,066	1,199
	-----	---	-----	-----
	1,750	807	1,340	2,620
	=====	===	=====	=====

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
	=====	=====	=====

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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 August 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Guaranteed Bonds.....	--	120,582	120,761
Bank loans and overdrafts.....	154,358	22,945	28,104
Obligations under finance leases and hire purchase contracts....	--	221	670
	-----	-----	-----
	154,358	143,748	149,535
	=====	=====	=====
Debts can be analysed as falling due:			
in one year or less, or on de- mand.....	--	--	
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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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.

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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 of any listing or sale of 87.5 percent or more of the issued share capital. No premium is payable on redemption.

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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.

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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

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
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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.

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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
	=====	=====	=====	=====

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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)

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THF BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 all share options included within the unaudited consolidated financial statements for the eight months ended August 31, 1998 is (Pounds)2,330,000.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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.

On July 1, 1998 and July 15, 1998, CCIC granted options to purchase 59,932 ordinary shares in CCIC to employees of CTI under terms of individual share option arrangements. The weighted average price for such options is \$37.54. These options vested on August 18, 1998. The accounting charge related to these options included in the unaudited consolidated financial statements for the eight months ended August 31, 1998 is (Pounds)978,000.

On July 15, 1998, the Board of Directors of the Company resolved that the Management Share Option Scheme would not be subject to any performance criteria and would vest on a time basis only.

An August 11, 1998, the Company granted options to purchase 15,690 Ordinary Shares and 15,674,310 Redeemable Preference Shares under the terms of the Management Share Option Scheme. The weighted average price for such options is 2.5 pence for both Ordinary Shares and Redeemable Preference Shares. The weighted average vesting period for such options is 2.7 years.

On August 21, 1998, the Company issued 515,000 Ordinary Shares and 514,485,000 Redeemable Preference Shares to CCIC for cash at par under the terms of the warrant. In addition, CCIC subscribed for 10,210 Ordinary Shares and 10,199,790 Redeemable Preference Shares for cash at a premium of 1.5 pence per share.

On August 21, 1998, the Company became an 80% owned subsidiary of CCIC. On that same date, (i) all issued and unissued Redeemable Preference Shares were redesignated as Ordinary Shares; and (ii) all existing options to purchase shares in the Company were converted into options to purchase shares in CCIC at the rate of 7 shares in CCIC for every 1000 shares in the Company.

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.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(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.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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	Period from April 1, 1997 to December 31, 1997	Eight Months Ended August 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Net cash provided by operating activities...	24,311	28,146	5,161	4,871	25,555	27,226
Net cash used by investing activities...	(17,190)	(21,811)	(711)	(52,889)	(14,668)	(36,135)
Net cash (used)/provided by financing activities.....	(7,121)	(6,335)	(4,450)	57,706	(12,423)	9,955
Net increase/(decrease) in cash and cash equivalents.....	--	--	--	9,688	(1,536)	1,046
Cash and cash equivalents at beginning of period....	--	--	--	--	9,688	8,152
Cash and cash equivalents at end of period.....	--	--	--	9,688	8,152	9,198
	=====	=====	=====	=====	=====	=====

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	Period from April 1, 1997 to December 31, 1997	Eight Months Ended August 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)	(Pounds)000	(Pounds)000	(Pounds)000 (Unaudited)
Net profit/(loss) as reported in the profit and loss accounts.....	7,785	14,002	2,697	325	(3,355)	2,145
US GAAP adjustments:						
Depreciation adjustment on tangible fixed assets.....	3,707	3,993	726	--	--	--
Pensions.....	--	--	--	--	65	108
Capitalised interest..	--	--	--	78	801	1,385
Net income/(loss) under US GAAP.....	11,492	17,995	3,423	403	(2,489)	3,638
Additional finance cost of non-equity shares...	--	--	--	(318)	(2,862)	--
Net income/(loss) attributable to ordinary shareholders under US GAAP.....	11,492	17,995	3,423	85	(5,351)	3,638
	=====	=====	=====	=====	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

	Home Service		Castle Transmission	
	At March 31,		At December 31,	At August 31,
	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	109,748
US GAAP adjustments:				
Depreciation adjustment on tangible fixed assets.....	(35,945)	--	--	--
Pensions.....	--	--	65	173
Capitalised interest..	--	78	879	2,264
Redeemable preference shares (including ad- ditional finance cost of non-equity shares).....	--	(102,564)	(105,975)	--
Corporate funding/shareholders' funds/(deficit) under US GAAP.....	166,484	187	(5,163)	112,185
	=====	=====	=====	=====

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Stockholders of Crown Castle
International Corp.:

We have audited the accompanying statement of net assets of Bell Atlantic Mobile Tower Operations as of December 31, 1998, and the related statements of revenues and direct expenses for each of the years in the two-year period ended December 31, 1998. 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 audits.

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 statement of net assets and the related statements of revenues and direct expenses are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of net assets and the related statements of revenues and direct expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of net assets and the related statements of revenues and direct expenses. We believe that our audit provides a reasonable basis for our opinion.

The statements of net assets and revenues and direct expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. As discussed in note 1, such statements do not reflect certain corporate overhead expenses incurred by Bell Atlantic Mobile, the contributor of the net assets, on behalf of the tower operations.

In our opinion, the statements referred to above present fairly, in all material respects, the net assets of Bell Atlantic Mobile Tower Operations as of December 31, 1998, and the related revenues and direct expenses for each of the years in the two-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

KPMG LLP

March 4, 1998

BELL ATLANTIC MOBILE
TOWER OPERATIONS

STATEMENT OF NET ASSETS
(In thousands of dollars)

December 31, 1998

Property and equipment, net.....	\$83,557

Net Assets.....	\$83,557
	=====

See notes to financial statements.

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BELL ATLANTIC MOBILE
TOWER OPERATIONS

STATEMENTS OF REVENUES AND DIRECT EXPENSES
(In thousands of dollars)

	Years ended December 31,	
	1997	1998
Site rental revenues.....	\$ 6,480	\$ 11,183
Costs of operations.....	15,131	14,941
Depreciation and amortization.....	7,221	6,278
Loss from Tower Operations.....	\$ (15,872)	\$ (10,036)
	=====	=====

See notes to financial statements.

BELL ATLANTIC MOBILE TOWER OPERATIONS
NOTES TO FINANCIAL STATEMENTS
(In thousands of dollars)

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

On December 8, 1998 Crown Castle International Corp. ("CCIC") and Bell Atlantic Mobile and certain entities controlled by Bell Atlantic Mobile ("BAM") entered into a formation agreement in order to create Crown Atlantic Company LLC ("Crown Atlantic"). Under the terms of the agreement, BAM will contribute tower structures and certain related assets while CCIC will contribute cash and shares of its common stock to Crown Atlantic and its parent company, respectively. The tower structures and related assets consist of the tower facilities that were previously part of BAM's cellular operations. Their locations span New York, New England, Philadelphia, Pittsburgh, Washington-Baltimore and certain areas in the Southeast and Southwest.

Under the formation agreement, Crown Atlantic will assume all obligations of BAM as landlord, licensor or tenant relating to the tower space leases with respect to the period after the closing date. Crown Atlantic will also assume all obligations of BAM subsequent to the closing date relating to the operation of the towers and any contracts entered into by BAM during the ordinary course of business of BAM relating to the towers but only to the extent that such contracts were chosen to be included in the obligations assumed by Crown Atlantic. Under the terms of the formation agreement, Crown Atlantic did not assume certain liabilities as defined in the actual terms of the formation agreement.

The accompanying statement of net assets reflects the assets to be contributed by BAM to Crown Atlantic pursuant to the formation agreement. The statement of net assets reflects BAM's historical carrying values of the contributed assets, adjusted to exclude certain assets which will not be contributed as part of the formation agreement.

The accompanying statements of revenue and direct expenses reflect operations related to the tower assets to be contributed by BAM to Crown Atlantic per the formation agreement. Certain direct and indirect operating costs of BAM have been allocated and included in the costs of operations. The allocated amounts totaled \$3,501 and \$3,694 for the years ended December 31, 1997 and 1998, respectively. Such allocations are based on determinations that management believes are reasonable, but may not be necessarily indicative of such costs incurred by Crown Atlantic in the future. The statements of revenues and direct expenses do not include allocated costs related to general corporate overhead, interest expense and income taxes and therefore may not be indicative of future operations.

The accompanying statement of net assets and the related statements of revenues and direct expenses were prepared for the purpose of complying with the requirements of the Securities and Exchange Commission and are not intended to be a complete presentation of Bell Atlantic Mobile's assets and liabilities or revenues and expenses.

Summary of Significant Accounting Policies

Use of Estimates

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.

BELL ATLANTIC MOBILE TOWER OPERATIONS

NOTES TO FINANCIAL STATEMENTS--(Continued) (In thousands of dollars)

Revenue Recognition

Site rental revenues are recognized on a monthly basis under lease or management agreements. Site rental revenues represent charges for tower usage billed to third party customers under lease arrangements.

2. Property and Equipment

Property and equipment are stated at historical costs. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets. Property and equipment at December 31, 1998 consisted of the following:

	Estimated Useful Lives -----	
Land.....		\$ 21,798
Telecommunication towers and related equipment.....	12 years	97,035

		118,833
Less: accumulated depreciation.....		(35,276)

		\$ 83,557
		=====

3. Commitments

At December 31, 1998, minimum rental commitments under operating leases are as follows:

Years ending December 31,	
1999.....	12,235
2000.....	10,200
2001.....	8,118
2002.....	5,512
2003.....	2,762

4. Site Rental Revenues

At December 31, 1998, minimum amounts receivable under third party lease agreements are as follows:

Years ending December 31,	
1999.....	12,214
2000.....	11,948
2001.....	10,952
2002.....	6,997
2003.....	2,207

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders of
Crown Castle International Corp.

We have audited the accompanying statement of net assets of Powertel Tower Operations as of December 31, 1998, and the related statement of revenues and direct expenses 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 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 statement of net assets and the related statement of revenues and direct expenses are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of net assets and the related statement of revenues and direct expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of net assets and the related statement of revenues and direct expenses. We believe that our audits provide a reasonable basis for our opinion.

The statements of net assets and revenues and direct expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. As discussed in note 1, such statements do not reflect certain corporate overhead expenses incurred by Powertel, Inc., the owner of the net assets, on behalf of the tower operations.

In our opinion, the statements referred to above present fairly, in all material respects, the net assets of Powertel Tower Operations as of December 31, 1998, and the related revenues and direct expenses for the year then ended in conformity with generally accepted accounting principles.

KPMG LLP

February 5, 1999

POWERTEL TOWER OPERATIONS

STATEMENT OF NET ASSETS

(In thousands of dollars)

DECEMBER 31, 1998

Prepaid expenses and other current assets.....	\$ 2,031
Property and equipment, net.....	121,490

Total assets.....	123,521
Deferred revenues.....	309

Net assets.....	\$123,212
	=====

See notes to financial statements.

POWERTEL TOWER OPERATIONS
STATEMENT OF REVENUES AND DIRECT EXPENSES

(In thousands of dollars)

YEAR ENDED DECEMBER 31, 1998

Site rental revenues.....	\$ 1,865
Cost of operations.....	6,167
Depreciation.....	7,534

Loss from tower operations.....	\$(11,836)
	=====

See notes to financial statements.

POWERTEL TOWER OPERATIONS

NOTES TO FINANCIAL STATEMENTS

(In thousands of dollars)

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

On March 15, 1999, Crown Castle International Corp. ("CCIC") and Powertel, Inc. ("Powertel") entered into an asset purchase agreement, whereby Powertel will sell tower structures and certain related assets to CCIC. The tower structures and related assets consist of the tower facilities that were previously part of Powertel's PCS and cellular operations. Their locations span Atlanta, Georgia; Jacksonville, Florida; Memphis, Tennessee; Jackson, Mississippi; and Birmingham, Alabama and certain areas in Kentucky and Tennessee.

The accompanying statement of net assets reflects the assets to be sold by Powertel to CCIC pursuant to the asset purchase agreement. The statement of net assets reflects Powertel's historical carrying values of the tower assets, adjusted to exclude certain assets which will not be contributed as part of the asset purchase agreement.

The accompanying statement of revenues and direct expenses reflects operations related to the tower assets to be sold by Powertel to CCIC per the asset purchase agreement. The statement of revenues and direct expenses does not include allocated costs related to general corporate overhead, interest expense and income taxes and therefore may not be indicative of future operations.

The accompanying statement of net assets and the related statement of revenues and direct expenses were prepared for the purpose of complying with the requirements of the Securities and Exchange Commission and are not intended to be a complete presentation of Powertel's assets and liabilities or revenues and expenses.

Summary of Significant Accounting Policies

Use of Estimates

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.

Revenue Recognition

Site rental revenues are recognized on a monthly basis under lease agreements. Site rental revenues represent charges for tower usage billed to third party customers under lease arrangements. Revenue amounts received in advance are deferred and recognized over the term of the lease agreement.

POWERTEL TOWER OPERATIONS

NOTES TO FINANCIAL STATEMENTS--(Continued)
(In thousands of dollars)

2. Property and Equipment

Property and equipment are stated at historical costs. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets. Property and equipment at December 31, 1998 consisted of the following:

	Estimated Useful Lives -----	
Land.....		\$ 859
Telecommunication towers and related equipment.....	15 years	134,757

		135,616
Less: accumulated depreciation		(14,126)

		\$121,490
		=====

3. Commitments

At December 31, 1998, minimum rental commitments under operating leases are as follows:

Year ending December 31,	
1999.....	\$4,120
2000.....	4,093
2001.....	3,276
2002.....	1,929
2003.....	626
Thereafter.....	185

4. Site Rental Revenues

At December 31, 1998, minimum amounts receivable under third party lease agreements are as follows:

Year ending December 31,	
1999.....	\$2,690
2000.....	2,677
2001.....	2,610
2002.....	2,131
2003.....	948
Thereafter.....	485

[D] UNDERWRITING

The Company and the underwriters for the offering named below have entered into an underwriting agreement with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase the number of notes indicated in the following table.

Underwriters	Principal Amount of Notes
-----	-----
Goldman, Sachs & Co.....	
Salomon Smith Barney Inc.....	
Lehman Brothers Inc.....	
Credit Suisse First Boston Corporation.....	

Total.....	=====

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to % per note from the initial public offering price. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to % per note from the initial public offering price. If all the notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

The notes are a new issue of securities with no established trading market. The Company has been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

In connection with the offerings, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time these transactions may be effected in the over-the-counter market or otherwise.

The Company estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$.

The Company has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

[E] UNDERWRITING

The Company, the Selling Stockholders and the underwriters for the U.S. offering (the "U.S. Underwriters") named below have entered into an underwriting agreement with respect to the shares being offered in the United States. Subject to certain conditions, each U.S. Underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and Salomon Smith Barney Inc. are the representatives of the U.S. Underwriters.

Underwriters -----	Number of Shares -----
Goldman, Sachs & Co.....	
Salomon Smith Barney Inc.....	
Lehman Brothers Inc.....	
Credit Suisse First Boston Corporation.....	

Total.....	===

If the U.S. Underwriters sell more shares than the total number set forth in the table above, the U.S. Underwriters have an option to buy up to an additional shares from the selling stockholders to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the U.S. Underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the U.S. Underwriters by the Company and the Selling Stockholders. Such amounts are shown assuming both no exercise and full exercise of the U.S. Underwriters' option to purchase additional shares.

	Paid by the Company -----	
	No Exercise	Full Exercise

Per Share.....	\$	\$
Total.....	\$	\$

	Paid by the Selling Stockholders -----	
	No Exercise	Full Exercise

Per Share.....	\$	\$
Total.....	\$	\$

Shares sold by the U.S. Underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the U.S. Underwriters to securities dealers may be sold at a discount of up to \$ per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the U.S. Underwriters to certain other brokers or dealers at a discount of up to \$ per share from the initial public offering price. If all the shares are not sold at the initial offering price, the representatives may change the offering price and the other selling terms.

The Company and the Selling Stockholders have entered into underwriting agreements with the underwriters for the sale of shares outside the United States. The terms and conditions of both offerings are the same and the sale of shares in both offerings are conditioned on each other. Goldman Sachs International and Salomon Smith Barney are representatives of the underwriters for the offering outside the United States (the "International Underwriters").

The underwriters for each of the offerings have entered into an agreement in which they agree to restrictions on where and to whom they and any dealer purchasing from them may offer shares as a part of the distribution of the shares. The underwriters also have agreed that they may sell shares among each of the underwriting groups.

The Company and the Selling Stockholders have agreed with the underwriters not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

In connection with the offerings, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offerings. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common stock while the offerings are in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the in the over-the-counter market or otherwise.

The Company and the Selling Stockholders estimate that their shares of the total expenses of the offerings, excluding underwriting discounts and commissions, will be approximately \$ and \$, respectively.

The Company and the Selling Stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

This prospectus may be used by the underwriters and other dealers in connection with offers and sales of the shares, including sales of shares initially sold by the underwriters in the offering being made outside of the United States, to persons located in the United States.

[D]	\$300,000,000
	Crown Castle International Corp.
	% Senior Discount Notes due 2011

Goldman, Sachs & Co.
Salomon Smith Barney
Lehman Brothers
Credit Suisse First Boston

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.....	\$215,450
NASD filing fee.....	30,500
Nasdaq listing fee.....	*
Printing and engraving expenses.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Transfer agent and registrar fees.....	*
Liability insurance premium.....	*
Miscellaneous.....	*

Total.....	*
	=====

* To be included by amendment.

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 attorneys' 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 which 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 (Exhibit 3.1) provides 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 of 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 By-laws 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 By-laws. 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 By-laws or otherwise.

The Company's By-laws 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 By-laws 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 By-laws 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 By-laws 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 By-laws 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 of 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 30,425 shares of common stock at a valuation of \$7.50 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 25, 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.

Roll-Up. On August 21, 1998, we consummated a share exchange with certain shareholders of CTI, which increased our ownership of CTI from approximately 34.3% to 80.0%. We issued 20,867,700 shares of our common and 11,340,000 shares of our Class A common stock, with such shares valued at an aggregate of \$418.7 million (based on the price per share to the public in the IPO).

12 3/4% Senior Exchangeable Preferred Stock due 2010. On December 21, 1998, the Company privately placed under Rule 144A and Regulation S of the Securities Act 200,000 shares of its 12 3/4% Senior Exchangeable Preferred Stock due 2010, each share of which has a liquidation preference of \$1,000. Lehman Brothers, Salomon Smith Barney and Goldman, Sachs & Co. were the initial purchasers of such securities.

Item 16. Exhibits and Financial Statement Schedules

Exhibit No. -----	Description of Exhibit -----
*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
**2.2	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., T 1 Diffusion 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	Restated Certificate of Incorporation of Crown Castle International Corp.
****3.2	Amended and Restated By-laws of Crown Castle International Corp.
****3.3	Certificate of Designations, Preferences and Relative, Participating, Optional and other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of 12 3/4% Senior Exchangeable Preferred Stock due 2010 and 12 3/4% Series B Senior Exchangeable Preferred Stock due 2010 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 percent. 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 percent 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
****4.7	Indenture dated as of December 21, 1998 between Crown Castle International Corp. and the United States Trust Company, as Trustee (including exhibits)
*5	Opinion of Cravath, Swaine & Moore.
**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

Exhibit No. -----	Description of Exhibit -----
**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)
**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 four limited partnerships), Castle Tower Holding Corp., T 1 Diffusion 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

Exhibit No. -----	Description of Exhibit -----
***10.26	Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto, dated as of August 21, 1998 as amended by Amendment No. 1, dated as of the 12th day of November, 1998
***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	Governance Agreement among Crown Castle International Corp., TeleDiffusion de France International S.A. and Digital Future Investments B.V., dated as of August 21, 1998
***10.29	Form of Severance Agreement entered into between Crown Castle International Corp. and Ted Miller, George Reese, John Gwyn, Charles Green, Alan Rees, Blake Hawk and David Ivy
***10.30	Shareholders Agreement among Crown Castle International Corp., T 1 Diffusion de France International S.A. and Castle Transmission Services (Holdings) Limited dated August 1998
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***10.32	Transmission Agreement between The British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997
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***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)
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***10.39	Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., T 1 Diffusion de France International S.A. and T 1 Diffusion de France S.A.
***10.40	Amended and Restated Services Agreement between Castle Transmission International Limited and T 1 Diffusion de France S.A. dated August 1998
***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	Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited

Exhibit No. -----	Description of Exhibit -----
***10.44	Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as of January 23, 1998
***10.45	Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998
****10.46	Rights Agreement dated as of August 21, 1998, between Crown Castle International Corp. and Chasemellon Shareholder Services L.L.C.
***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
***10.53	Services Agreement dated July 2, 1998, by and between Crown Castle International Corp. and Robert A. and Barbara A. Crown
****10.56	Registration Rights Agreement dated as of December 21, 1998 by and among Crown Castle International Corp. and Lehman Brothers, Salomon Smith Barney and Goldman, Sachs & Co.
*****10.57	Formation Agreement relating to the formation of Crown Atlantic Company LLC, Crown Atlantic Holding Sub LLC, and Crown Atlantic Holding Company LLC dated December 1998
*****10.58	Letter of Agreement between Crown Castle International Corp. and BellSouth Mobility Inc. dated March 5, 1999 (including the Form of Sublease)
*****10.59	Asset Purchase Agreement among Crown Castle International Corp., CCP Inc., Powertel Atlanta Towers, LLC, Powertel Birmingham Towers, LLC, Powertel Jacksonville Towers, LLC, Powertel Kentucky Towers, LLC, Powertel Memphis Towers, LLC and Powertel, Inc. dated March 15, 1999
****10.60	Framework Agreement between One2One and Castle Transmission International Ltd. dated March 5, 1999
****10.61	Indenture between Crown Castle International Corp. and United States Trust Company of New York dated March 15, 1999
****10.62	Registration Rights Agreement among Crown Castle International Corp. and Goldman Sachs Credit Partners LP, Salomon Brothers Holding Company Inc. and Credit Suisse First Boston dated March 15, 1999
****10.63	Escrow Agreement among Crown Castle International Corp., Goldman Sachs Credit Partners LP, Salomon Brothers Holding Company Inc., Credit Suisse First Boston and United States Trust Company of New York dated March 15, 1999
****10.64	Term Loan Agreement among Crown Castle International Corp. and Goldman Sachs Credit Partners LP, Salomon Brothers Holding Company Inc. and Credit Suisse First Boston dated March 15, 1999

Exhibit No.	Description of Exhibit
-----	-----

****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 LLP

*23.2 Consent of Cravath, Swaine & Moore (included in Exhibit 5)

****27.1 Financial Data Schedule

- -----

- * To be filed by amendment.
- ** 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).
- *** Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-1 previously filed by the Registrant (Registration No. 333-57283).
- **** 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. 333-71715).
- ***** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated December 9, 1998.
- ***** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated March 8, 1999.
- ***** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated March 15, 1999.

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 16th day of March, 1999.

CROWN CASTLE INTERNATIONAL CORP.,

by /s/ Charles C. Green, III

Name: Charles C. Green, III
Title: Executive Vice President
and Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Charles C. Green, III and Wesley D. Cunningham, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement or any registration statement for this offering that is to be effective upon the filing pursuant to rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorney-in-fact or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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 16th day of March, 1999.

Signature

Title

/s/ Ted B. Miller, Jr.

Ted B. Miller, Jr.

Chief Executive Officer and Vice
Chairman of the Board (Principal
Executive Officer)

/s/ David L. Ivy

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)

/s/ Wesley D. Cunningham

Wesley D. Cunningham

Senior Vice President, Chief
Accounting Officer and Corporate
Controller (Principal Accounting
Officer)

/s/ Carl Ferenbach

Carl Ferenbach

Chairman of the Board

Signature

Title

/s/ Michel Azibert

Director

Michel Azibert

/s/ Bruno Chetaille

Director

Bruno Chetaille

/s/ Robert A. Crown

Director

Robert A. Crown

/s/ Randall A. Hack

Director

Randall A. Hack

/s/ Robert F. McKenzie

Director

Robert F. McKenzie

/s/ William A. Murphy

Director

William A. Murphy

/s/ Jeffrey H. Schutz

Director

Jeffrey H. Schutz

/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,	
	1997	1998
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 53,092	\$ 37,907
Receivables and other current assets.....	424	957
Advances to subsidiaries, net.....	2,611	13,711
Total current assets.....	56,127	52,575
Property and equipment, net of accumulated depreciation of \$27 and \$875 at December 31, 1997 and 1998, respectively.....	808	4,255
Investment in subsidiaries.....	232,229	1,041,788
Investments in affiliates.....	59,082	2,258
Deferred financing costs and other assets, net of accumulated amortization of \$69 and \$814 at December 31, 1997 and 1998, respectively.....	7,075	7,227
	\$ 355,321	\$1,108,103
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities.....	\$ 1,187	\$ 1,379
Total current liabilities.....	1,187	1,379
Long-term debt.....	151,593	168,099
Total liabilities.....	152,780	169,478
Redeemable preferred stock, \$.01 par value; 10,000,000 shares authorized:		
12 3/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 1997--none and December 31, 1998--200,000 (stated at mandatory redemption and aggregate liquidation value).....	--	201,063
Senior Convertible Preferred Stock; shares issued: December 31, 1997--657,495 and December 31, 1998--none (stated at redemption value; aggregate liquidation value of \$68,916).....	67,948	--
Series A Convertible Preferred Stock; shares issued: December 31, 1997--1,383,333 and December 31, 1998-- none (stated at redemption and aggregate liquidation value).....	8,300	--
Series B Convertible Preferred Stock; shares issued: December 31, 1997--864,568 and December 31, 1998--none (stated at redemption and aggregate liquidation value).....	10,375	--
Series C Convertible Preferred Stock; shares issued: December 31, 1997--3,529,832 and December 31, 1998-- none (stated at redemption and aggregate liquidation value).....	74,126	--
Total redeemable preferred stock.....	160,749	201,063
Stockholders' equity:		
Common stock, \$.01 par value; 690,000,000 shares authorized:		
Class A Common Stock; shares issued: December 31, 1997--1,041,565 and December 31, 1998--none.....	2	--
Class B Common Stock; shares issued: December 31, 1997--9,367,165 and December 31, 1998--none.....	19	--
Common Stock; shares issued: December 31, 1997--none and December 31, 1998--83,123,873.....	--	831
Class A Common Stock; shares issued: December 31, 1997--none and December 31, 1998--11,340,000.....	--	113
Additional paid-in capital.....	58,248	795,153
Cumulative foreign currency translation adjustment.....	562	1,690
Accumulated deficit.....	(17,039)	(60,225)
Total stockholders' equity.....	41,792	737,562
	\$ 355,321	\$1,108,103
	=====	=====

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,		
	1996	1997	1998
Other revenues.....	\$ --	\$ 329	\$ 399
Interest and other income.....	171	2,028	1,354
General and administrative expenses.....	--	(149)	(2,975)
Corporate development expenses.....	(1,249)	(3,867)	(4,404)
Non-cash compensation charges.....	--	--	(9,775)
Depreciation and amortization.....	--	(27)	(720)
Interest expense and amortization of deferred financing costs.....	--	(4,594)	(17,251)
Loss before income taxes and equity in earnings (losses) of subsidiaries and unconsolidated affiliate.....	(1,078)	(6,280)	(33,372)
Credit (provision) for income taxes.....	49	(49)	--
Equity in earnings (losses) of subsidiaries.....	72	(4,475)	(6,458)
Equity in earnings (losses) of unconsolidated affiliate.....	--	(1,138)	2,055
Net loss.....	(957)	(11,942)	(37,775)
Dividends on preferred stock.....	--	(2,199)	(5,411)
Net loss after deduction of dividends on preferred stock.....	\$ (957)	\$ (14,141)	\$ (43,186)
	=====	=====	=====

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,		
	1996	1997	1998
Cash flows from operating activities:			
Net loss.....	\$ (957)	\$(11,942)	\$(37,775)
Adjustments to reconcile net loss to net cash used for operating activities:			
Amortization of deferred financing costs and discount on long-term debt.....	--	1,652	17,251
Non-cash compensation charges.....	--	--	9,775
Equity in losses (earnings) of subsidiaries....	(72)	4,475	6,458
Depreciation and amortization.....	--	27	720
Equity in losses (earnings) of unconsolidated affiliate.....	--	1,138	(2,055)
Increase (decrease) in accounts payable and other accrued liabilities.....	130	(103)	1,352
Decrease (increase) in receivables and other assets.....	(1,122)	551	(1,413)
Net cash used for operating activities.....	(2,021)	(4,202)	(5,687)
Cash flows from investing activities:			
Investment in subsidiaries.....	--	(89,989)	(332,065)
Net advances to subsidiaries.....	(288)	(2,223)	(11,100)
Capital expenditures.....	--	(835)	(3,624)
Investments in affiliates.....	(2,101)	(59,487)	--
Net cash used for investing activities.....	(2,389)	(152,534)	(346,789)
Cash flows from financing activities:			
Proceeds from issuance of capital stock.....	10,503	139,867	339,929
Incurrence of financing costs.....	--	(5,908)	(1,755)
Purchase of capital stock.....	--	(2,132)	(883)
Proceeds from issuance of long-term debt.....	--	150,010	--
Principal payments on long-term debt.....	--	(78,102)	--
Net cash provided by financing activities....	10,503	203,735	337,291
Net increase (decrease) in cash and cash equivalents.....	6,093	46,999	(15,185)
Cash and cash equivalents at beginning of year....	--	6,093	53,092
Cash and cash equivalents at end of year.....	\$6,093	\$ 53,092	\$ 37,907
Supplementary schedule of noncash investing and financing activities:			
Issuance of long-term debt in connection with acquisitions.....	\$ --	\$ 78,102	\$ --
Issuance of common stock in connection with acquisitions.....	--	57,189	420,964
Conversion of subsidiary's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock.....	--	3,657	--
Supplemental disclosure of cash flow information:			
Interest paid.....	\$ --	\$ 2,943	\$ --
Income taxes paid.....	--	--	--

See notes to consolidated financial statements and accompanying notes.

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 CTI Credit Facility and the CTI Bonds, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. For CCI, 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 Restricted Subsidiaries. CTI is effectively precluded from paying dividends. The restricted net assets of the Company's subsidiaries totaled approximately \$826,321,000 at December 31, 1998.

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 of Exhibit -----
*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
**2.2	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., T 1 Diffusion 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	Restated Certificate of Incorporation of Crown Castle International Corp.
***3.2	Amended and Restated By-laws of Crown Castle International Corp.
***3.3	Certificate of Designations, Preferences and Relative, Participating, Optional and other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of 12 3/4% Senior Exchangeable Preferred Stock due 2010 and 12 3/4% Series B Senior Exchangeable Preferred Stock due 2010 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 percent. 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 percent 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
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*5	Opinion of Cravath, Swaine & Moore.
**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

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**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
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***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., T 1 Diffusion de France International S.A. and T 1 Diffusion de France S.A.
***10.40	Amended and Restated Services Agreement between Castle Transmission International Limited and T 1 Diffusion de France S.A. dated August 1998
***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	Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited

Exhibit No. -----	Description of Exhibit -----
***10.44	Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as of January 23, 1998
***10.45	Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998
****10.46	Rights Agreement dated as of August 21, 1998, between Crown Castle International Corp. and Chasemellon Shareholder Services L.L.C.
***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
***10.53	Services Agreement dated July 2, 1998, by and between Crown Castle International Corp. and Robert A. and Barbara A. Crown
****10.56	Registration Rights Agreement dated as of December 21, 1998 by and among Crown Castle International Corp. and Lehman Brothers, Salomon Smith Barney and Goldman, Sachs & Co.
*****10.57	Formation Agreement relating to the formation of Crown Atlantic Company LLC, Crown Atlantic Holding Sub LLC, and Crown Atlantic Holding Company LLC dated December 1998
*****10.58	Letter of Agreement between Crown Castle International Corp. and BellSouth Mobility Inc. dated March 5, 1999 (including the Form of Sublease)
*****10.59	Asset Purchase Agreement among Crown Castle International Corp., CCP Inc., Powertel Atlanta Towers, LLC, Powertel Birmingham Towers, LLC, Powertel Jacksonville Towers, LLC, Powertel Kentucky Towers, LLC, Powertel Memphis Towers, LLC and Powertel, Inc. dated March 15, 1999
****10.60	Framework Agreement between One2One and Castle Transmission International Ltd. dated March 5, 1999
****10.61	Indenture between Crown Castle International Corp. and United States Trust Company of New York dated March 15, 1999
****10.62	Registration Rights Agreement among Crown Castle International Corp. and Goldman Sachs Credit Partners LP, Salomon Brothers Holding Company Inc. and Credit Suisse First Boston dated March 15, 1999
****10.63	Escrow Agreement among Crown Castle International Corp., Goldman Sachs Credit Partners LP, Salomon Brothers Holding Company Inc., Credit Suisse First Boston and United States Trust Company of New York dated March 15, 1999
****10.64	Term Loan Agreement among Crown Castle International Corp. and Goldman Sachs Credit Partners LP, Salomon Brothers Holding Company Inc. and Credit Suisse First Boston dated March 15, 1999

Exhibit No. -----	Description of Exhibit -----
****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 LLP
*23.2	Consent of Cravath, Swaine & Moore (included in Exhibit 5)
***27.1	Financial Data Schedule
- -----	
*	To be filed by amendment.
**	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).
***	Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-1 previously filed by the Registrant (Registration No. 333-57283).
****	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. 333-71715).
*****	Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated December 9, 1998.
*****	Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated March 8, 1999.
*****	Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated March 15, 1999.

The Board of Directors
Crown Castle International Corp.:

The audits referred to in our report dated February 24, 1999, related to Crown Castle International Corp. and its subsidiaries included the related financial statement schedule as of December 31, 1997 and 1998, and for each of the years in the three-year period ended December 31, 1998, 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 "Experts" in the Prospectus.

/s/ KPMG LLP
KPMG LLP

Houston, Texas
March 16, 1999