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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

Commission File Number 000-24737

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

Delaware (State or other jurisdiction of incorporation or organization)	76-0470458 (I.R.S. Employer Identification No.)
510 Bering Drive Suite 500 Houston, Texas (Address of principal executive offices)	77057-1457 (Zip Code)

(713) 570-3000
(Registrant's telephone number, including area code)

Title of Each Class of Securities Registered Pursuant to Section 12(b) of the Securities Exchange Act of 1934	Name of Exchange on Which Registered
Common Stock, $.01 par value	New York Stock Exchange
Rights to Purchase Series A Participating Cumulative Preferred Stock	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Securities Exchange Act of 1934: NONE.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $935.4 million as of March 15, 2002 based on the New York Stock Exchange closing price of $7.60 per share.

Applicable Only to Corporate Registrants

As of March 15, 2002, there were 219,842,529 shares of Common Stock outstanding and 0 shares of Class A Common Stock outstanding.

Documents Incorporated by Reference

The information required to be furnished pursuant to Part III of this Form 10-K will be set forth in, and incorporated by reference from, the registrant's definitive proxy statement for the annual meeting of stockholders (the "2002 Proxy Statement"), which will be filed with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year ended December 31, 2001.

CROWN CASTLE INTERNATIONAL CORP.

TABLE OF CONTENTS

PRELIMINARY NOTE: This Annual Report on Form 10-K contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements should be read in conjunction with the cautionary statements and other important factors included in this Form 10-K. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations--Cautionary Statement for Purposes of Forward-Looking Statements" and "Item 1. Business--Risk Factors" for descriptions of important factors which could cause actual results to differ materially from those contained in the forward-looking statements.

PART I

Item 1. Business

Overview

We are a leading owner and operator (including via lessee/sublessee and management arrangements) of towers (including co-locatable rooftops) and transmission networks for wireless communications and broadcast transmission companies. As of December 31, 2001, we owned, leased or managed 15,116 towers and rooftops, including 10,638 sites in the United States and Puerto Rico, 3,087 sites in the United Kingdom and 1,391 sites in Australia. Our customers currently include many of the world's major wireless communications and broadcast companies, including Verizon, Cingular, Nextel, VoiceStream, Sprint PCS, AT&T Wireless, SingTel Optus, Vodafone, BT Cellnet (an mmO2 company), One 2 One, Hutchison 3G UK Limited and the British Broadcasting Corporation (the "BBC").

Our strategy is to use our leading domestic and international position to increase our revenue per site by increasing the utilization of our sites by wireless and broadcast companies for antenna space, and to continue to build, acquire and operate new towers and wireless and transmission networks and infrastructure through opportunities created by:

- the transfer to third parties, or outsourcing, of tower ownership and management by major wireless carriers;

- the need for existing wireless carriers to expand coverage and improve network capacity;

- the additional demand for towers and wireless infrastructure created by new entrants into the wireless communications industry; and

- the introduction of wireless technologies including broadband data, or "3G" technology.

Our main businesses are leasing (including licensing) antenna space on wireless and broadcast towers that can accommodate multiple tenants ("co-location") and operating analog and digital broadcast transmission networks and wireless networks. We also provide related services to our customers, including network design, radio frequency engineering, site acquisition, site development and project management, antenna installation and network management and maintenance. We believe that our service capabilities and asset portfolio are key competitive advantages in capturing a significant share of the antenna demand by wireless communications carriers and the demand for broadcast transmission network management.

Our primary business in the United States is the leasing of antenna space on our sites to wireless carriers. Our tower portfolio consists primarily of concentrations of towers in various metropolitan areas, or "tower clusters." 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 and coverage plans across particular markets or regions. As of December 31, 2001, 52% of our towers were located in the 50 largest basic trading areas, or "BTAs", in the U.S., and 70% of our towers were located in the 100 largest BTAs.

Our primary businesses in the United Kingdom, which is conducted through our wholly owned subsidiary Crown Castle UK Limited, or "CCUK", are the operation of television and radio broadcast transmission networks and the leasing of antenna space to wireless carriers. Following our 1997 acquisition of the BBC's broadcast and 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, as well as on various towers that we acquired from wireless carriers or that we have constructed. CCUK has executed agreements with certain 3G license holders in the UK pursuant to which such license holders will lease space on certain CCUK sites which are expected to be used in connection with such companies' 3G network rollout. See "Business--The Company--U.K. Operations--Significant Contracts--Hutchison 3G Agreement" and "--BT Cellnet Agreement".

Our primary business in Australia, which is conducted through Crown Castle Australia Pty Limited, or "CCAL", is the leasing of antenna space to wireless carriers. CCAL is owned 77.6% by us and 22.4% by Permanent Nominees (Aust) Ltd on behalf of a group of professional and institutional investors led by Jump Capital Limited. We currently operate 1,391 towers in Australia, of which 716 were purchased from Cable & Wireless Optus (now SingTel Optus Pty Limited), or "Optus", during 2000, and 643 were purchased from Vodafone Australia in April 2001. These towers provide CCAL with a strategic presence in all of Australia's licensed regions, including Sydney, Melbourne, Brisbane, Adelaide and Perth. CCAL is now the largest independent tower owner in Australia. See "Business--The Company--Australia Operations".

We believe our towers are attractive to a diverse range of wireless communications industries, including personal communications services, cellular, enhanced specialized mobile radio, specialized mobile radio, 3G, paging, and fixed microwave, as well as radio and television broadcasting. In the United States our major customers include Verizon, Cingular, VoiceStream, Nextel, Sprint PCS and AT&T Wireless. In the United Kingdom our major customers include the BBC, BT Cellnet (an mmO2 company), NTL, ITVdigital (formerly called ONdigital), One 2 One, Orange and Hutchison 3G. Our principal customers in Australia are Optus, Vodafone Australia and Hutchison.

We are continuing our ongoing construction program to strategically expand our tower portfolios. In 2001, we constructed 1,464 towers. In 2002, we plan to construct approximately 900 to 1,100 towers, at an estimated aggregate cost of approximately $185 million (excluding payments under our British Telecom agreement), for lease to wireless carriers such as Verizon, Cingular, Nextel, Hutchison 3G and BT Cellnet (an mmO2 company). The actual number of towers built may vary depending on acquisition opportunities and potential build-to-suit contracts from our wireless customers.

Growth Strategy

Our objective is to become the premier owner and operator of tower (including co-locatable rooftop sites) and transmission networks for wireless communications and broadcast companies. We believe our experience in expanding and marketing our tower clusters, as well as our experience in owning and operating analog and digital transmission networks, positions us to accomplish this objective. The key elements of our business strategy are to:

- Grow Revenue Organically. We are seeking to increase the utilization of our strategically located communications sites by increasing the number of antenna leases on our owned and managed communications sites. Many of our towers have capacity available for additional antenna space rental. We believe there is demand for such co-location capacity both from existing carriers and broadcasters and from new carriers and broadcasters. New entrants are able to launch service quickly and efficiently by designing the deployment of their networks based on our existing tower portfolios. We intend to continue to use targeted sales and marketing techniques to increase utilization of and investment return on our constructed and acquired towers.

- Grow EBITDA. We are seeking to take advantage of the operating leverage afforded by the relatively fixed nature of the operating costs associated with our site rental business. The majority of the operating costs of our site rental business consist of ground lease expense, property taxes, repair and maintenance, utilities and salaries, which tend to escalate at approximately the rate of inflation. Consequently, if increased utilization of tower capacity is achieved at low incremental cost, our site rental business should experience operating margin expansion and growth in site-level "EBITDA", or earnings before interest, taxes and depreciation.

- Allocate Capital Efficiently. We seek to expand our existing tower portfolios through the selective acquisition and build of strategically located towers that will improve the coverage of our existing tower portfolios and increase their attractiveness. With respect to tower acquisitions, we may seek to acquire such sites from major wireless carriers to assume ownership of their existing towers directly or through joint ventures (such as our two joint ventures with Verizon Communications) or to control their towers through contractual arrangements. We may also acquire towers from other companies in the tower industry, either through direct acquisitions, tower exchanges or other means. With respect to tower builds, leveraging on our ability to offer a wide range of related services, we intend to selectively build new towers for wireless carriers as they expand and fill in their service areas and deploy new technologies requiring additional communications sites. Our decisions to invest additional capital in selective acquisitions or build activities are generally based upon whether such investments are expected to achieve our risk-adjusted return on investment hurdle rates.

- Extend Revenue Around Our Existing Assets. We are seeking to leverage the skills of our personnel in the United States, the United Kingdom and Australia. We believe that our ability to manage networks, including the transmission of signals, will be an important competitive advantage in our pursuit of growth opportunities, as evidenced by our transactions with the BBC, One 2 One, Verizon Communications, BellSouth, Powertel, Optus and Vodafone Australia. With our wireless communications and broadcast transmission network design and radio frequency engineering expertise, we are well positioned to extend our services beyond the leasing of tower space to other potentially shareable activities, such as antenna and base station maintenance, shared microwave backhaul and network monitoring.

The Company

We operate our business through our subsidiaries primarily in three geographic areas--the United States, the United Kingdom and Australia. We conduct our U.S. operations principally through certain wholly owned subsidiaries of Crown Castle Operating Company and our two joint ventures with Verizon Communications. CCUK is our principal U.K. operating subsidiary, and CCAL, a joint venture between us and Permanent Nominees (Aust) Ltd, is our principal Australian operating subsidiary. We also use subsidiaries to hold the assets we acquire or control as a result of various transactions we have engaged or may engage in from time to time.

U.S. Operations

Overview

Our primary business in the United States is the leasing of antenna space on multiple tenant towers 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, including network design and site selection, site acquisition, site development and project management and antenna installation.

We lease antenna space to our customers on our owned, leased 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 are typically five years with renewal options. Our U.S. customers include such companies as Verizon, Cingular, VoiceStream, Nextel, Sprint PCS and AT&T Wireless. We also provide tower space to private network operators and various federal and local government agencies, such as the FBI, the IRS, the DEA and the U.S. Postal Service.

At December 31, 2001, we owned 10,638 sites in the United States and Puerto Rico. These towers are located predominantly in the eastern, midwestern and southwestern United States, along with Puerto Rico. A substantial number of our towers were acquired through transactions consummated within the past three years. In addition, we may consider and enter into arrangements with other wireless carriers and independent tower operators to acquire additional towers or tower portfolios.

Through the Powertel acquisition, which closed in June 1999, we control and operate approximately 670 towers. These towers represented substantially all of the towers owned by Powertel (now a part of VoiceStream) 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 Mobility's 850 MHz tower portfolio in the southeast and have minimal coverage overlap. Substantially all of the Powertel towers are over 100 feet tall and can accommodate multiple tenants.

Through the BellSouth Mobility and BellSouth DCS (now part of Cingular) transactions, which were substantially completed in September 2000, we control and operate approximately 2,700 towers. These towers represented (1) substantially all of the towers in BellSouth Mobility's 850 MHz wireless network in the southeastern and midwestern United States providing coverage of 12 of the top 50 U.S. metropolitan areas, including Miami, Atlanta, Tampa, Nashville and Indianapolis and (2) substantially all of the towers in BellSouth DCS's 1.9 GHz wireless network in North Carolina, South Carolina, east Tennessee and parts of Georgia. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

Our joint venture with Verizon Communications relating to the Bell Atlantic Mobile towers (the "Bell Atlantic JV") controlled and operated approximately 2,010 towers as of December 31, 2001. Through our joint venture with Verizon Communications relating to the GTE Wireless towers (the "GTE JV"), we controlled and operated approximately 2,930 towers as of December 31, 2001. These towers represent substantially all the towers now used in the 850 MHz wireless network of Verizon Wireless in the eastern, midwestern, southwestern and Pacific coast areas of the United States and provide coverage of 22 of the top 50 U.S. metropolitan areas, including New York, Chicago, Houston, Washington, D.C., Philadelphia, Boston, Phoenix and San Francisco. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants. We currently own 56.9% of the Bell Atlantic JV, and Verizon Communications owns the remaining 43.1%. We currently own 82.2% of the GTE JV, and Verizon Communications owns the remaining 17.8%.

The agreements relating to our joint ventures with Verizon Communications provide that upon a dissolution of either venture and following satisfaction (or adequate provision for satisfaction) of such venture's liabilities, we will receive all the assets of the dissolved venture, other than any shares of our common stock then held by the venture that were contributed by us as capital contributions, all of which shares will be distributed to the applicable Verizon Communications partner. In exchange for the distribution of the venture's assets to us, we will pay to the applicable Verizon Communications partner the then fair market value of such partner's interest in the venture, excluding an agreed venture interest relating to the common stock held by the venture and distributed to such partner. A dissolution of either venture may be triggered (1) by the Verizon Communications partner at any time following the third anniversary of the formation of the applicable venture and (2) by us at any time following the fourth anniversary of such venture's formation (subject to certain penalties if prior to the seventh anniversary in the case of the Bell Atlantic JV). As of December 31, 2001, assuming the distribution of the shares of common stock held by the ventures to the Verizon Communications partner, the interest of the Verizon Communications partner in the GTE JV and the Bell Atlantic JV would have been approximately 11.0% and 24.1%, respectively. As payment to our venture partner, the dissolution of the GTE JV would require us to deliver cash, and the dissolution of the Bell Atlantic JV would require us to deliver cash or common stock at our option; such payments may negatively impact our liquidity or cause dilution of our common stock. The GTE JV was formed on January 31, 2000, and the Bell Atlantic JV was formed on March 31, 1999. Additional information regarding the joint venture dissolution terms can be found in the text of our prior filings with the Securities and Exchange Commission ("SEC") and in the relevant joint venture agreements, which have been filed as exhibits to certain of our prior SEC filings.

Each of our joint ventures with Verizon Communications entered into master build-to-suit agreements under which each joint venture will build and own up to 500 additional towers to be built for the wireless communications business of Bell Atlantic Mobile and GTE Wireless, which now does business as Verizon Wireless, over a five-year period. In addition, following the building of such 500 sites, the Bell Atlantic JV will have a right of first refusal to construct up to the next 200 towers to be built for Verizon Wireless. The number of towers built under the GTE JV build-to-suit agreement is reduced by the number of towers built under the Bell Atlantic JV build-to-suit agreement in excess of 700 and certain other leases on our towers. Further, we have entered into similar agreements with BellSouth, as part of the BellSouth transaction, to construct certain towers on behalf of BellSouth in the region covered by that transaction over the five year period following the initial closing of that transaction. As of December 31, 2001, we had built approximately 122, 170 and 318 towers under each of the build-to-suit agreements with or for the GTE JV, the Bell Atlantic JV and BellSouth, respectively. We are currently in discussions with Verizon Communicatioins and BellSouth Mobility regarding amendments to various terms of each of the build-to-suit agreements with or for the GTE JV, the Bell Atlantic JV and BellSouth Mobility. There can be no assurances as to the outcome of any of these discussions.

We also seek to capitalize on our network design and project management expertise to construct new towers. We plan to continue to selectively build towers in areas where carriers' signals fail to transmit in their coverage areas. 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 tower sites are also designed to easily add additional customers.

Site Rental

In the United States, we rent antenna space on our towers to a variety of carriers operating cellular, personal communication services, specialized mobile radio, enhanced specialized mobile radio, paging and other networks.

We lease space to our customers on our 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 leases. In the United States, 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 primarily on the Consumer Price Index. The average monthly rental payment of a new tenant added to a tower is approximately $1,500 per month. The lease agreements relating to tower network acquisitions generally have a base term of ten years, with multiple renewal options, each typically ranging from five to ten years. We have existing master lease agreements with most major wireless carriers, including AT&T Wireless, Cingular, Verizon, VoiceStream, Nextel and Sprint PCS, which provide certain terms (including economic terms) that govern leases on our towers entered into by such parties during the term of their master lease agreements.

We have site rental opportunities in connection with our larger tower acquisition transactions as a result of the fact that such transactions typically involve a master lease agreement of some type with the transferring carrier and the opportunity to lease additional space with other carriers. For example, in connection with each of the joint ventures with Verizon Communications, we entered into a master lease agreement under which its domestic wireless businesses lease antenna space on the towers transferred to the joint ventures, as well as the towers built under the build-to-suit agreements. Also, in connection with the BellSouth Mobility and BellSouth DCS transactions, we are paid a monthly site maintenance fee from BellSouth for its use or maintenance of its reserve space on the towers we control. Further, in connection with the Powertel acquisition, we entered into an agreement under which the sellers rent space on the towers we acquired from them. In each of these transactions, we are permitted to lease additional space on the towers to third parties.

Network Services

We design, build and operate our own communication sites. We have developed an in-house expertise in certain value-added services that we offer to the wireless communications industry. Because we are basically a provider of total systems with "end-to-end" design, project management and operating expertise, we offer our customers the flexibility of choosing between the provision of 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 project management 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 our 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 2001, we provided network design services primarily for our own portfolios and also for certain customers, including AT&T Fixed Wireless and Cricket Communications. These customers were typically charged on a time-and-materials basis.

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 purchases or leases within the search ring. Within each search ring, Geographic Information Systems 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 project management department takes over the process of constructing the site.

We have provided site acquisition services to numerous customers, including Verizon, Cingular, AT&T Fixed Wireless, AT&T Wireless and Cricket Communications. These customers engage us for such site acquisition services on either a fixed price contract or a time-and-materials basis.

Site Development and Project Management and Antenna Installation. We provide site development and project management and antenna installation services to the U.S. communications industry. We have extensive experience in the development and construction of tower sites and the installation of antenna, microwave dishes and associated equipment. Our site development and project management services include clearing sites, laying foundations, provision of 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 also for 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 site development, project management and antenna installation. We generally set prices for each site development or project management 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, expertise and contractual arrangements to install antenna systems for our paging, cellular, personal communications services, specialized mobile radio, enhanced specialized mobile radio and microwave customers. As this service is performed, we use our technical expertise to substantiate that there is no interference with other tenants. We typically bill for our antenna installation services on a fixed price basis.

Our project management capabilities reflect our extensive experience in the managing the construction of networks and towers. For example, during 2001, we were instrumental in launching a multi-state network for Cricket Communications. In addition, in 2001, we provided site development and project management or antenna installation services to a majority of our new tower site tenants in the United States, including Verizon, Cingular, AT&T Wireless, Sprint PCS and Nextel.

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 significant contracts with most of the major wireless carriers, among others.

Customers

In both our site rental and network services businesses, we work with a number of customers in a variety of businesses including cellular, personal communications services, enhanced specialized mobile radio and paging. We work primarily with large national carriers such as Verizon, Cingular, AT&T Wireless, Sprint PCS, VoiceStream and Nextel. For the year ended December 31, 2001, Verizon Communications and its subsidiaries accounted for 14.3% of our consolidated revenues. No other single customer in the United States accounted for more than 10.0% of our consolidated revenues.

Industry	Representative Customers
Cellular/Personal Communications Services	AT&T Wireless, Verizon, Sprint PCS, Cingular, VoiceStream, Nextel
Specialized Mobile Radio/Enhanced Specialized Mobile Radio	Nextel
Governmental Agencies	INS, Coast Guard, FBI, U.S. Postal Service, FAA, DEA, IRS, Puerto Rico Police
Private Industrial Users	Federal Express, Laidlaw Transit, BFI
Data	Cingular, Itron, Ardis
Paging	WebLink Wireless, Metrocall, SkyTel (a division of WorldCom), Acquis, Arch
Utilities	Peco Energy Corporation, Nevada Power, Reliant Energy Entex
Other	XM Satellite Radio

Sales and Marketing

Our marketing department maintains our profile within the industry through regular advertising, public relations, trade shows, press releases, newsletters, targeted mailings, and our website at www.crowncastle.com. We use numerous public and proprietary databases to develop targeted marketing programs focused on regional network build-outs, new sites and services. Information about existing sites, demographics, licenses and deployment status, and actual signal strength measurements taken in the field are combined to predict the service area of a particular radio signal from any given transmission point. This allows our sales and marketing personnel to target specific carriers with specific sites.

A team of national account managers maintains and enhances our close relationships with our largest customers. These managers work to develop new tower construction, site leasing services and site management opportunities, as well as to ensure that customers' emerging needs are translated into new products and services. This group also manages sales opportunities, including turnkey network deployments and backhaul transmission services.

Sales personnel in our regional offices develop and maintain close local relationships with carriers that are expanding their networks, entering new markets, bringing new technologies to market or requiring maintenance or add-on business. All types of wireless carriers are targeted including personal communications services, cellular, microwave and two-way radio, paging, 911, government agencies, and utility and transportation companies. Our objective is to pre-sell capacity on our new towers prior to construction and to lease space on existing towers.

We seek to maintain good public and community relations at a local level through efforts including community events, sponsorships and charitable work. For example, in 2001 we provided emergency communications services and dispatched crank up towers, nighttime lighting and other equipment to assist the recovery efforts in New York City and at the Pennsylvania crash site associated with the terrorist events of September 11, 2001.

In addition to our full-time sales and marketing staff, a number of senior managers spend a significant portion of their time 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, are called on to testify at local hearings and are asked to draft local zoning ordinances.

Competition

In the United States, we compete with other independent tower owners 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, broadcasters and building owners, 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 we have. We believe that tower location, capacity, price, quality of service, deployment speed 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 certain strategic acquisition and new tower construction opportunities with wireless carriers, site developers and other independent tower operating companies. We believe that competition for such tower site acquisitions may increase and that additional competitors may enter the tower market, some of which may have greater financial resources than us.

The following is a list of the larger independent tower companies that we compete with in the United States: American Tower Corp., SpectraSite, Pinnacle Towers, and SBA Communications.

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 us and Wireless Facilities, Inc., SBA Communications, Whalen & Company (a subsidiary of Tetra Tech, Inc.) and Gearon & Company (a subsidiary of American Tower Corp.). The market includes participants from a variety of market segments offering individual, or a combination 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 criteria such as 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.

U.K. Operations

Overview

We own and operate, through CCUK, one of the world's most established television and radio transmission networks. In addition, we are expanding our leasing of antenna space on our U.K. towers to a variety of wireless carriers. We provide transmission services for four of the six digital terrestrial television multiplexes in the U.K., two BBC analog television services, six UK-wide BBC radio services on FM, AM and DAB (the first digital audio broadcast service in the United Kingdom), 5 BBC regional radio services for Scotland, Wales and Northern Ireland, 39 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 sites, more than half of which we own or control and the balance of which are either licensed to us under a site-sharing agreement with National Transcommunications Limited, or NTL, our principal broadcast competitor in the United Kingdom, or other third party site operators. We have also secured long-term contracts to provide digital television transmission services to the BBC and ITVdigital (formerly ONdigital). See "Business--The Company--U.K. Operations--Significant Contracts". In April 2001, we launched a new wireless carrier network service for One 2 One in Northern Ireland. In addition to providing transmission services, we also lease antenna space on our 3,087 communications sites in the United Kingdom to various communications service providers, including One 2 One, BT Cellnet, Orange and Vodafone, and provide telecommunications network installation and maintenance services and engineering consulting services.

Our core revenue generating activity in the United Kingdom is the analog and digital terrestrial transmission of radio and television programs broadcast by the BBC. CCUK's transmission business, which was formerly owned by the BBC, was privatized under the Broadcasting Act 1996 and sold to CCUK in February 1997. At the time the BBC home service transmission business was acquired, CCUK 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. The digital TV contract was added in 1998 as described below. For the 12 months ended December 31, 2001, approximately 39.4% of CCUK's consolidated revenues were derived from the provision of transmission services to the BBC.

At December 31, 2001, we owned or managed 3,087 sites in the United Kingdom. Our sites are located throughout England, Wales, Scotland and Northern Ireland.

We expect to expand our existing portfolios in the United Kingdom by building and acquiring additional sites. Many of these new sites will be developed on British Telecom exchange sites under our agreement with British Telecom. See "Business--The Company--U.K. Operations--Significant Contracts--British Telecom Agreement". 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 3G) as compared to broadcast signals, wireless communications providers require a denser portfolio of sites to cover a given area. Using our team of engineers who have state-of-the-art network design and radio frequency engineering expertise, we locate sites and design locations that will be attractive to multiple tenants. We seek to leverage such expertise by entering into new construction contracts with various carriers, such as BT Cellnet, Vodafone, Hutchison 3G, One 2 One and Orange, thereby securing an anchor tenant for a site before incurring capital expenditures for the site build-out.

In March 1999, CCUK completed the One 2 One transaction. Through this transaction, CCUK has added an aggregate of 1,676 towers (including towers built pursuant to a build-to-suit agreement with One 2 One) to its portfolio. These towers represent substantially all the towers in One 2 One's nationwide 900 MHZ wireless network in the United Kingdom. These towers form part of CCUK's nationwide network of towers to be marketed to wireless carriers in the United Kingdom. See "Business--The Company--U.K. Operations--Significant Contracts--One 2 One Northern Ireland Network".

In November 2000, CCUK entered into an agreement with British Telecom to lease space on as many as 4,000 British Telecom exchange sites throughout the United Kingdom. These sites are principally rooftop facilities owned by British Telecom in urban areas. We spent approximately $99.1 million in 2001 developing the British Telecom site portfolio for the deployment of wireless services, including second generation ("2G") and 3G services. We expect to invest an aggregate of approximately $325 million developing the British Telecom site portfolio. We intend to integrate the new sites into our existing portfolio of sites in the U.K. to provide a network that will offer operators coverage of large population areas. Together with British Telecom, we will also make available our technical expertise to help operators plan, construct, operate and maintain their wireless networks. As of December 31, 2001, we had developed 326 sites under this agreement. We are currently in discussions with British Telecom regarding the deferral of certain payments that would otherwise be owed by us to them in 2002 under this agreement. There can be no assurances as to the outcome of these discussions. See "Business--The Company--U.K. Operations--Significant Contracts--British Telecom Agreement".

In February 2001, CCUK signed a definitive agreement with Hutchison 3G UK Limited whereby Hutchison 3G will lease space on a minimum of 4,000 CCUK sites throughout the United Kingdom. See "Business--The Company--U.K. Operations--Significant Contracts--Hutchison 3G Agreement". In addition, in February 2001, CCUK signed an initial agreement with its existing customer BT Cellnet pursuant to which BT Cellnet will lease additional space on CCUK sites throughout the United Kingdom, with a minimum take up of 500 additional sites per year for each of the years 2001, 2002 and 2003. See "Business--The Company--U.K. Operations--Significant Contracts--BT Cellnet Agreement".

Transmission Business

Analog. For the 12 months ended December 31, 2001, CCUK generated approximately 32.4% of its revenues from the provision of analog broadcast transmission services to the BBC. Under 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 "Business--The Company--U.K. Operations--Significant Contracts--BBC Analog Transmission Contract". For the 12 months ended December 31, 2001, the BBC Analog Transmission Contract generated revenues of approximately (Pounds)53.4 million ($76.9 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 talkSPORT (formerly Talk Radio). In July 2001, the Virgin Radio contract was renewed for a period expiring April 30, 2008. The talkSPORT contract commenced on February 4, 1995 and expires on December 31, 2008.

We own all of the transmission equipment used for broadcasting the BBC's U.K. radio and television programs in the U.K., whether located on one of CCUK's sites or on an NTL or other third-party site. As of December 31, 2001, CCUK had 3,847 transmitters, of which 2,546 were for television broadcasting and 1,301 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)	20.0%
top 16	79.0
top 26	86.0
top 51	92.0
all	99.4

All of our U.K. transmitters are capable of unmanned operation and are maintained by mobile maintenance teams from 25 bases located across the United Kingdom. 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 should 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. In January 2000, we completed the rollout of the 80 station network required under our contracts with the holders (including the BBC) of four of the six licenses issued in the U.K. for digital terrestrial television services (DTT). We are required as part of our DTT contracts to provide new transmission and distribution infrastructure networks and multiplex equipment for our DTT customers, including site upgrades, new transmitters and associated systems. Of these sites, 49 are owned or controlled by us, and the remainder are on NTL owned or controlled towers pursuant to a site sharing arrangement. Our costs to add new transmitters and associated systems was approximately (Pounds)105.5 million ($154 million). For the 12 months ended December 31, 2001, our digital transmission contracts with the BBC and ITVdigital generated aggregate revenues of approximately (Pounds)30.2 million ($43.4 million) for us.

We successfully began commercial operation of the digital terrestrial television networks from an initial 22 transmission sites on November 15, 1998. We completed the 80 transmission site upgrade in January 2000. This launch and the subsequent upgrade marked the first stage of the project to introduce the digital broadcast system that is expected to eventually replace conventional analog television services in the United Kingdom. Initially, in January 2000, these first 80 sites achieved a national U.K. population coverage (in accordance with the revised definition of "coverage" by the Independent Television Commission) of 56% of the U.K. population where service from all six multiplexes overlap, with an 81% coverage of the U.K. population for the best individual multiplex. We have accepted an invitation from the U.K. television regulator, the Independent Television Commission, to play a role in planning further digital terrestrial television network extensions. In addition, as of December 31, 2001, the overlapping coverage for all six multiplexes was improved from the initial 56% to 68% of the national population as a result of coverage equalization projects which we initiated and completed in consultation with our customers and U.K. government regulators; as a result of these projects, our digital contract revenues have increased by approximately (Pounds)2.17 million ($3.16 million) per year.

In 1997, the Independent Television Commission awarded ITVdigital (formerly 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 ITVdigital to build and operate its digital television transmission network. The contract provides for approximately (Pounds)19.0 million ($27.6 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. Additional revenues are also being paid in relation to multiplex frequency equalization projects initiated by CCUK in 2000. On March 27, 2002, a U.K. court approved an application by ITVdigital to be placed into administration (a proceeding, similar to a Chapter 11 bankruptcy proceeding in the United States, designed to protect the applicant from the claims of its creditors while it reorganizes its business). There can be no assurances as to the outcome of this action or its effect on us. Our primary concern will be any modification to our ITVdigital transmission contract resulting from these administration proceedings. We contemplate that ITVdigital or its successor will continue to honor its commitments under the transmission contract in order to continue providing programming and services to its subscribers; however, any decisions regarding the continuation of the transmission contract or payments by ITVdigital will involve the administrators. ITVdigital accounted for approximately 3.4% of our revenues for the twelve-month period ended December 31, 2001. The loss of ITVdigital as a customer or the modification of the ITVdigital transmission contract could have an adverse effect on our results of operations. See "Business--The Company--U.K. Operations--Significant Contracts--ITVdigital Transmission Contract".

We currently provide transmission services for digital radio broadcasts in the United Kingdom. In 1995, the BBC launched, over our transmission network, its initial national digital radio service, and this service is now broadcast to approximately 65% of the U.K. population. A license for an independent national digital radio network was awarded to the Digital One consortium during 1998. We are providing accommodation and access to towers and antennas at 30 transmission sites for Digital One services. In addition, local digital radio licenses have been awarded since 1999, and on July 14, 2000, we were awarded a 12 year contract with Switchdigital (London) Limited to provide their London local digital radio network service. Since that time, CCUK has been awarded two additional 12 year contracts by other Switchdigital consortia, covering two areas of Scotland. Site sharing for other Digital Radio multiplexes provides additional revenues at 20 transmission sites.

Site Rental

The BBC transmission network provides a valuable initial portfolio for the creation of wireless communications networks. As of December 31, 2001, approximately 209 companies rented antenna space on CCUK's 3,087 towers. These site rental agreements have normally been for three to twelve years and are generally subject to rent reviews every three years. Site sharing customers are generally charged annually in advance, according to ratecards 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 and the digital broadcasting site sharing agreement. These agreements generated approximately (Pounds)12.5 million ($18.2 million) of site rental revenue for the year ended December 31, 2001.

As in the United States, we provide a range of site maintenance services in the United Kingdom in order to support and enhance our site rental business. We complement our U.K. transmission experience with our site management experience in the United States to provide customers with an enhanced package of service and technical support.

Other than NTL, CCUK's largest (by revenue) site rental customers consist mainly of wireless carriers such as BT Cellnet (an mmO2 company), One 2 One, Orange and Vodafone. Revenues from these non-BBC sources continue to become an increasing portion of CCUK's total U.K. revenue base. We believe that the demand for site rental from communication service providers will increase in line with the expected growth of these communication services along with the deployment of new technologies, such as 3G, in the United Kingdom, as demonstrated by our multi-site rental commitment contracts with Hutchison 3G and BT Cellnet.

We have master lease agreements with all of the major U.K. telecommunications site users, including British Telecom, Cable & Wireless Communications, BT Cellnet, One 2 One, Orange 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.

Network Services

CCUK provides broadcast and telecommunications engineering services to various customers in the United Kingdom. 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, CCUK has worked with several telecommunications operators on design and build projects as they rollout their networks. With the expertise of our engineers and technical staff, we are a provider of complete systems to the wireless communications and broadcast industries.

Network Design and Site Selection. We have extensive experience in network design and engineering and site selection. Our U.K. customers receive the benefit of our sophisticated network design and site selection services.

In December 1999, CCUK and One 2 One entered into an agreement under which CCUK would establish a turnkey mobile network for One 2 One in Northern Ireland. In April 2001, CCUK launched the network, covering 94.7% of the population of Northern Ireland. CCUK provides cell planning, acquisition, design, build, operation and maintenance services related to the network. The agreement with One 2 One is for an initial term of 11 years. We currently own and operate approximately 200 tower sites in Northern Ireland, and One 2 One is a tenant on substantially all of these sites as part of the network.

In June 2000, CCUK was awarded a contract for the first phase of a three-phase network rollout of Europe's first planned 3G network on the Isle of Man. In March 2001, CCUK was awarded a further contract with Manx Telecom for the second and third phases. The network, comprised of approximately 28 sites, was built by NEC and Siemens for Manx Telecom, a wholly owned subsidiary of mmO2 plc, and was completed in September 2001. CCUK provided turnkey project management, installation and commissioning of the 3G radio access network, including site planning, design, build and radio frequency planning. Service on the network was launched in December 2001.

Site Acquisition. As in the United States, 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 with relevant analyses, assessments and, where necessary, surveys. We seek to utilize 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 project management, ensuring an efficient and simple construction phase. Selected civil contractors are managed by CCUK 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 project managed by our own teams.

Significant Contracts

CCUK's principal analog broadcast transmission contract is the BBC analog transmission contract. CCUK also has entered into two digital television transmission contracts, the BBC digital transmission contract and the ITVdigital (formerly ONdigital) digital transmission contract. Under the site-sharing agreement, CCUK also gives NTL access to facilities to provide broadcast transmission to non-CCUK customers. CCUK also has long-term service agreements with broadcast customers such as Virgin Radio, talkSPORT and Switchdigital. In addition, CCUK has several agreements with telecommunication providers, including leases, site management contracts and independent contractor agreements. The agreements with Hutchison 3G and BT Cellnet announced in February 2001 contain additional lease commitments for a minimum of 5,500 CCUK sites. CCUK has also entered into contracts to design and build infrastructure for customers such as BT Cellnet, One 2 One, Orange and Vodafone, including the turnkey network contract for One 2 One in Northern Ireland.

BBC Analog Transmission Contract. CCUK 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. The BBC analog transmission contract provides for charges of approximately (Pounds)46.5 million ($67.6 million) to be payable by the BBC to CCUK each year through 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 (approximately $436,000) 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 (approximately $727,000) annually to the payments made by the BBC to us. On July 16, 1999, the BBC and CCUK amended the transmission contract to allow CCUK to provide certain liaison services to the BBC.

The BBC analog transmission contract also provides for CCUK 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 CCUK 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. CCUK is subject to periodic performance reviews and to date has incurred 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:

- by mutual agreement between CCUK and the BBC,
- by one party upon the bankruptcy or insolvency of the other party within the meaning of section 123 of the Insolvency Act 1986,
- 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),
- by the non-defaulting party upon a material breach by the other party, and
- upon the occurrence of certain change of control events (as defined in the BBC Analog Transmission Contract).

It is contemplated that the BBC Analog Transmission Contract will be amended and extended in some manner. However, there can be no assurances that any such modifications or extensions will come to pass.

BBC Commitment Agreement. On February 28, 1997, in connection with the acquisition of the BBC home service transmission business, the BBC, the Company, TeleDiffusion de France International S.A. ("TdF") and France Telecom (TdF's parent company) entered into a commitment agreement, whereby we and TdF agreed to maintain various minimum ownership interests in CCUK for periods ranging from three to five years commencing February 28, 1997. In July 1998, the BBC consented to the reduction of the ownership interest of TdF in CCUK to 20%. In addition, on July 5, 2000, with the BBC's consent, TdF divested its remaining interest in CCUK and relinquished all of its governance rights in CCUK, as a result of recommendations by the Department of Trade and Industry in the United Kingdom to the Office of Fair Trading that, as a condition to not referring a proposed 25% equity investment in NTL by France Telecom to the Competition Commission, TdF should undertake to dispose of its shareholding in CCUK and the Company. Concurrently with the disposition by TdF of its remaining interest in CCUK, CCUK became a wholly owned subsidiary of ours.

ITVdigital Digital Transmission Contract. In 1997, the Independent Television Commission awarded ITVdigital (formerly 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 ITVdigital to build and operate its digital television transmission network. The contract provides for approximately (Pounds)19.0 million ($27.6 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. Additional revenues are also being paid in relation to multiplex frequency equalization projects initiated by CCUK in 2000. On March 27, 2002, a U.K. court approved an application by ITVdigital to be placed into administration (a proceeding, similar to a Chapter 11 bankruptcy proceeding in the United States, designed to protect the applicant from the claims of its creditors while it reorganizes its business). There can be no assurances as to the outcome of this action or its effect on us. Our primary concern will be any modification to our ITVdigital transmission contract resulting from these administration proceedings. We contemplate that ITVdigital or its successor will continue to honor its commitments under the transmission contract in order to continue providing programming and services to its subscribers; however, any decisions regarding the continuation of the transmission contract or payments by ITVdigital will involve the administrators. ITVdigital accounted for approximately 3.4% of our revenues for the twelve-month period ended December 31, 2001. The loss of ITVdigital as a customer or the modification of the ITVdigital transmission contract could have an adverse effect on our results of operations. See "Business--Risk Factors--A Substantial Portion Of Our Revenues Is Derived From a Small Number of Customers, Including the BBC, NTL, ITVdigital And Verizon".

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 has committed to the full digital terrestrial television roll-out contemplated by the contract providing for approximately (Pounds)10.5 million ($15.3 million) of revenue per year 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 digital television in the United Kingdom does not have sufficient viewership to justify continued digital television broadcasts. Under this provision, the BBC will pay us a termination fee in cash that substantially recovers our 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. Additional revenues are also being paid in relation to multiplex frequency equalization projects initiated by CCUK in 2000.

BT Digital Distribution Contract. Under the BBC digital transmission contract and the ITVdigital digital transmission contract, in addition to providing digital terrestrial transmission services, CCUK has agreed to provide for the distribution of the BBC's and ITVdigital's broadcast signals from their respective television studios to CCUK's transmission network. Consequently, in May 1998, CCUK entered into a 12-year distribution contract with British Telecommunications plc (with provisions for extending the term), in which British Telecom 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 for television and radio services and to enable viewers to receive all analog UHF television services using one receiving antenna, the BBC, as the predecessor to CCUK, and NTL made arrangements to share certain broadcast 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.

On September 10, 1991, the BBC and NTL entered into the Site-Sharing Agreement which set out the commercial site sharing terms under which the parties were entitled to share each other's sites for any television and radio services.

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 on December 31, 2005 or on any tenth anniversary of that date. As no notice was served in 2000, the next termination date is December 31, 2015. It may also be terminated:

- following a material breach by either party that, if remediable, is not remedied within 30 days of notice of such breach by the non-breaching party,
- on the bankruptcy or insolvency of either party, and
- if either party ceases to carry on a broadcast transmission business or function.

Similar site sharing arrangements have been entered into between NTL and us for the build-out of digital transmission sites and equipment, including a supplementary ratecard related to site sharing fees for new digital facilities and revised operating and maintenance procedures related to digital equipment.

One 2 One Northern Ireland Network. In December 1999, CCUK and One 2 One entered into an agreement under which CCUK would establish a turnkey mobile network for One 2 One in Northern Ireland. In April 2001, CCUK launched the network, covering 94.7% of the population of Northern Ireland. CCUK provides cell planning, acquisition, design, build, operation and maintenance services related to the network. The agreement with One 2 One is for an initial term of 11 years. We currently own and operate approximately 200 tower sites in Northern Ireland, and One 2 One is a tenant on substantially all of these sites as part of the network.

British Telecom Agreement. In November 2000, CCUK entered into an agreement with British Telecom to lease space on as many as 4,000 British Telecom exchange sites throughout the United Kingdom. We spent approximately $99.1 million in 2001 developing the British Telecom site portfolio for the deployment of wireless services, including 2G and 3G services. We expect to invest an aggregate of approximately $325 million developing the British Telecom site portfolio. We intend to integrate the new sites into our existing portfolio of sites in the United Kingdom to provide a network that will offer operators coverage of large population areas. Together with British Telecom, we will also make available our technical expertise to help operators plan, construct, operate and maintain their wireless networks. As of December 31, 2001, we had developed 326 sites under this agreement. We are currently in discussions with British Telecom regarding certain amendments to the agreement, including the deferral of certain payments that would otherwise be owed by us to them in 2002. There can be no assurances as to the outcome of these discussions. In June 2001, CCUK signed a management services agreement to manage the pre-existing British Telecom site sharing customers on the sites subject to this agreement.

Hutchison 3G Agreement. In February 2001, CCUK signed a definitive agreement with Hutchison 3G UK Limited whereby Hutchison 3G will lease space on a minimum of 4,000 CCUK sites (a minimum take up of 1,000 sites per year for each of 2001 through 2004) throughout the United Kingdom. We are currently in discussions with Hutchison 3G regarding several potential amendments to this agreement, including one such amendment which may result in the deferral of Hutchison 3G's take or pay commitment for a period of up to six months. CCUK is also currently reviewing its standard terms of business and site share process, including establishing a definitive staged payment program as work on sites reaches certain milestones. This exercise is also under discussion with Hutchison 3G and is expected to result in a further contract amendment to update the Hutchison 3G agreement in-line with the CCUK standard process.

BT Cellnet Agreement. In February 2001, CCUK signed an initial agreement with its existing customer BT Cellnet pursuant to which BT Cellnet will lease additional space on CCUK sites throughout the United Kingdom, with a minimum take up of 1,500 additional through 2003 (a minimum take up of 500 sites per year for each of 2001, 2002 and 2003). BT Cellnet did not satisfy the minimum take up requirements in 2001. We are currently in discussions with BT Cellnet and mmO2 regarding certain terms of the agreement which may result in the deferral of BT Cellnet's take or pay commitments. There can be no assurances as to the outcome of these discussions.

Third Generation Technology

During April 2000, the United Kingdom auctioned five licenses relating to 3G mobile communications, with the largest amount of spectrum being reserved for an insurgent carrier. Vodafone, British Telecom (via BT3G Limited), One 2 One, Orange and Hutchison 3G UK Limited (via TIW UMTS UK Ltd.) acquired 3G licenses through these auctions.

In anticipation of the deployment of 3G services in the United Kingdom, CCUK has prepared models for the rollout and operation of 3G networks in the United Kingdom. We contemplate working with the 3G license holders in order to provide the outsourcing of network operations and management and the site sharing of network towers, equipment and other communications infrastructure as a solution to many of the commercial and technical challenges and costs which the 3G license holders will face.

In first quarter 2001, CCUK executed agreements with certain of the 3G license holders in the U.K. (Hutchison 3G UK Limited and BT Cellnet) pursuant to which such license holders will lease space on certain CCUK sites which are expected to be used in connection with such companies' 3G network rollout. See "Business--The Company--U.K. Operations--Significant Contracts--Hutchison 3G Agreement" and "--BT Cellnet Agreement".

During 2000 and 2001, CCUK provided turnkey project management, installation and commissioning of the 3G radio access network (including site planning, design, build and radio frequency planning) with respect to the network rollout of Europe's first 3G network on the Isle of Man. The network, comprised of approximately 28 sites, was built by NEC and Siemens for Manx Telecom, a wholly owned subsidiary of mmO2 plc, and was launched in December 2001. See "Business--The Company--U.K. Operations--Network Services--Network Design and Site Selection".

There can be no assurances that 3G or other new wireless technologies will be introduced or deployed as rapidly or in the manner previously or presently projected by the wireless industry. The deployment of 3G has already been delayed as to prior projections. In addition, demand and customer adoption rates of 3G and other technologies may be lower or slower than anticipated for numerous reasons. As a result, growth opportunities and demand for site rental as a result of such technologies may not be realized at the times or to the extent previously or presently anticipated.

Customers

For the 12 months ended December 31, 2001, the BBC accounted for approximately 39.4% of CCUK's consolidated revenues. This percentage has decreased from 50.4% and 44.2% for the 12 months ended December 31, 1999 and December 31, 2000, respectively, and is expected to continue to decline as CCUK continues to expand its site rental business. CCUK provides all four U.K. personal communications network/cellular operators (BT Cellnet, One 2 One, Orange and Vodafone) with infrastructure services and also provides fixed telecommunications operators, such as British Telecom, Cable & Wireless Communications and

Energis, with microwave links and backhaul infrastructure. The following is a list of some of CCUK's leading site rental customers by industry segment.

Industry	Representative Customers
Broadcasting	BBC, NTL, Virgin Radio, Talk Radio, XFM, ITVdigital, Switchdigital
PMR/TETRA	mmO2 Airwave
Personal Communications Network	Orange, One 2 One
Data	RAM Mobile Data, Cognito
Paging	Hutchinson, Page One
Governmental Agencies	Ministry of Defense
Cellular	Vodafone, BT Cellnet
Third Generation	Hutchison 3G, BT Cellnet, Orange
Public Telecommunications	British Telecom, Cable & Wireless Communications
Utilities	Welsh Water, Southern Electric

Sales and Marketing

We have a staff of sales and marketing personnel in the United Kingdom who identify new revenue-generating opportunities, develop and maintain key account relationships, and tailor service offerings 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.

Competition

NTL is CCUK's primary competitor in the terrestrial broadcast transmission market in the United Kingdom. NTL provides analog transmission services to ITV, Channels 4 and 5, and S4C digital television networks, a number of local analog commercial radio stations and Digital One, the national digital radio license holder. NTL retains partial ownership of both the S4C digital television multiplex and Digital One, the national independent digital radio licensee. NTL has also been awarded the transmission contract for two of the six digital terrestrial television multiplexes. CCUK has been awarded transmission contracts for the other four multiplexes.

Although CCUK and NTL are broadcast 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. See "Business--The Company--U.K. Operations--Significant Contracts--Site-Sharing Agreement."

NTL also offers site rental on approximately 1,500 of its sites, some of which are managed on behalf of third parties. Like CCUK, NTL offers a broad range of site-related services to its customers, including installation and maintenance.

Four U.K. mobile operators own site infrastructure and lease space to other users. Their openness to sharing with direct competitors varies by operator. BT Cellnet and Vodafone have agreed to cut site costs by jointly developing and acquiring sites in the Scottish Highlands. British Telecom and Cable & Wireless Communications are both major site sharing customers but also compete by leasing their own sites to third parties.

CCUK 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.

Australia Operations

Our primary business in Australia is the leasing of antenna space to wireless carriers. CCAL, a joint venture which is owned 77.6% by us and 22.4% by Permanent Nominees (Aust) Ltd, acting on behalf of a group of professional and institutional investors led by Jump Capital Limited, is our principal Australian operating subsidiary. Our interest in CCAL increased from 66.7% to 77.6% in connection with the funding and closing of the Vodafone Australia tower portfolio acquisition in April 2001.

CCAL is the largest independent tower operator in Australia with a nationwide tower portfolio providing sites for cellular coverage for over 92% of the population in Australia. CCAL currently operates 1,391 towers, with a strategic presence in all of Australia's licensed regions including Sydney, Melbourne, Brisbane, Adelaide and Perth. 716 of CCAL's towers were purchased from Optus during 2000 for approximately $135 million (Australian $220 million) in cash. As part of this transaction, Optus agreed to lease space on these towers for an initial term of 15 years. The agreement also provides CCAL with an exclusive right to develop all future tower sites for Optus through April 2006. We are currently in discussions with Optus as to various amendments to certain terms of the build-to-suit provisions of the agreement.

An additional 643 towers were acquired from Vodafone Australia in April 2001 for approximately $121 million (Australia $240 million). As part of this transaction, Vodafone Australia has agreed to lease space on these towers for an initial period of 10 years, and we have the exclusive right to acquire up to 600 additional tower sites that Vodafone may construct through April 2007. The Vodafone Australia acquisition was funded 85.1% by us and 14.9% by the Jump Capital group, which resulted in our interest in CCAL being increased from 66.7% to 77.6%.

As of December 31, 2001, CCAL also provided maintenance services on 1,150 customer sites and 1,799 customer shelters and provided property management services on 721 customer sites.

Employees

At December 31, 2001, we employed approximately 1,966 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 Theatrical Union. This agreement establishes bargaining procedures relating to the terms and conditions of employment for all of CCUK'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 the registration of tower facilities and the issuance of determinations of no hazard. Wireless communications devices operating on towers are separately regulated and independently licensed based upon the particular frequency used. In addition, the FCC and the FAA have developed standards to consider proposals for new or modified tower and antenna structures based upon the height and location, including proximity to airports, of proposed tower and antenna structures. Proposals to construct or to modify existing tower and antenna structures above certain heights are reviewed by the FAA to ensure the structure will not present a hazard to aviation, which determination may be conditioned upon compliance with lighting and marking requirements. The FCC requires its licensees to operate communications devices only on towers that comply with FAA rules and are registered with the FCC, if required by its regulations. Where tower lighting is required by FAA regulation, tower owners 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.

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 us 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.

Other Regulations

We hold, through certain of our subsidiaries, certain licenses for radio transmission facilities granted by the FCC, including licenses for common carrier microwave and commercial mobile radio services, including specialized mobile radio and paging facilities, as well as private mobile radio services 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.

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. CCUK 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.

Licenses under the Telecommunications Act 1984

CCUK 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, a type of data transmissions technique, of broadcasting services. This license is for a period of at least 25 years from January 23, 1997, and is CCUK's principal license. Its main provisions include:

- A price control condition covering the provision of all analog radio and television transmission services to the BBC under the BBC analog transmission agreement, establishing an initial price at approximately (Pounds)44 million for regulated elements of the services provided by CCUK under the BBC analog transmission agreement in the year ended March 31, 1997, with 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.

- A change of control provision which requires notification of acquisitions of interest in CCUK 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.

- A site sharing requirement requiring CCUK 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.

- A fair trading provision enabling OFTEL to act against anti-competitive behavior by the licensee.

- A prohibition on undue preference or discrimination in the provision of the services it is required to provide third parties under the transmission license.

During 2001, OFTEL agreed to certain amendments to CCUK's Telecommunications Act Transmission License to ensure that the price controls in such license accommodate the provision by CCUK of additional contractually agreed upon services to the BBC in return for additional agreed upon payments. See "Business--Risk Factors--Extensive Regulations Which Could Change at Any Time and With Which We Could Fail to Comply Regulate Our Business".

The U.K. Secretary of State has designated the transmission license a public telecommunications operator license in order to reserve to himself certain emergency powers for the protection of national security. This designation is, however, limited to this objective. CCUK does not have a full U.K. public telecommunications 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 CCUK such a license. As a result, CCUK would gain wider powers to provide services to non-license holding third parties including public switched voice telephony and satellite uplink and would grant CCUK 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 CCUK 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 public telecommunications 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

CCUK 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:

- a broadcasting services license in relation to the transmission services provided to the BBC, Virgin Radio and Talk Radio,

- a fixed point-to-point radio links license,

- two bandwidth test and development licenses, and

- digital terrestrial television test and development licenses.

All the existing licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998 have to be renewed annually with the payment of a significant fee. The BBC, Virgin Radio and Talk Radio have each contracted to pay their portion of these fees. ITVdigital is obligated under the ITVdigital digital transmission contract to pay most of their portion of these fees.

Australia

Federal Regulation

Carrier licenses and nominated carrier declarations issued under the Federal Telecommunications Act 1997 authorize the use of network units for the supply of telecommunications services to the public. The definition of "network units" includes line links and base stations used for wireless telephony services but does not include tower infrastructure. Accordingly, CCAL as a tower owner and operator does not require a carrier license. Similarly, because CCAL does not own any transmitters or spectrum, it does not currently require any apparatus or spectrum licenses issued under the Federal Radiocommunications Act 1992.

Carriers have a statutory obligation to provide other carriers with access to tower facilities and sites and, if there is a dispute (including as to pricing), the matter may be referred to the Australian Competition and Consumer Commission for resolution. As a non-carrier, CCAL is not currently subject to this regime and negotiates site access on a commercial basis.

While the Federal Telecommunications Act 1997 grants certain exemptions from planning laws for the installation of "low impact facilities," towers are expressly excluded from the definition of "low impact facilities." Accordingly, in connection with the construction of new tower facilities, CCAL is subject to state and local planning laws which vary on a site by site basis. For a limited number of sites, CCAL is also required to install aircraft warning lighting in compliance with federal aviation regulations.

Local Regulations

In Australia there are various local, state and territory laws and regulations which relate to, among other things:

- town planning and zoning restrictions,
- standards applicable to the design and construction of structures and facilities,
- approval for the construction or alteration of a structure or facility,
- the protection of the environment, and
- city and other local government ordinances.

As in the United States, these laws vary greatly, but typically require tower owners to obtain approval from government bodies prior to tower construction and for ongoing compliance with environmental laws.

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. 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 we could also be subject to personal injury or property damage claims relating to such contamination. We are potentially subject to environmental and cleanup liabilities in the United States, the United Kingdom and Australia.

As licensees, we are also subject to regulations and guidelines that impose a variety of operational requirements relating to radio frequency emissions. As employers, we are subject to OSHA and similar guidelines regarding employee protection from RF exposure. 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.

We have compliance programs and monitoring projects to help assure that we are in substantial compliance with 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.

2001 Events

Set forth below is a description of certain other significant events which took place during 2001 and involved or affected our business or operations. The description of the terms of transactions and agreements set forth below are summaries and do not describe significant terms and conditions contained in the complete text of the relevant agreements.

January 2001 Offering

In January 2001, we sold 13,445,200 shares of our common stock in an underwritten public offering. The shares were sold to the public at a price of $26.25 per share, and we received proceeds of $342.9 million (after underwriting discounts of $10.1 million).

Listing on New York Stock Exchange

Our Common Stock was listed and began trading on the New York Stock Exchange on April 25, 2001 under the symbol "CCI". Prior to that date and since our initial public offering on August 18, 1998, the Common Stock was listed and traded on the Nasdaq under the symbol "TWRS". Concurrent with the New York Stock Exchange listing, the listing of our Common Stock on the Nasdaq was withdrawn.

Announcement and Rescission of RaiWay Transaction

In April 2001, we entered into a Share Purchase Agreement for the acquisition of 49% of the outstanding capital stock of RaiWay S.p.A. ("RaiWay"). RaiWay is a subsidiary of RAI Radio Televisione Italiana S.p.A. ("RAI"), the Italian state-owned television and radio broadcaster. RaiWay manages over 2,300 broadcast transmission sites across Italy. The cost of our investment in RaiWay amounted to approximately $383.8 million in cash, and such amount was deposited into a Euro-denominated escrow account upon execution of the Share Purchase Agreement. The transaction was subject to approval by certain Italian regulatory authorities and, in October 2001, we were notified that the Italian Minister of Communication had declined to approve the transaction. Pursuant to the terms of the agreement, the escrow deposit was returned to us in November 2001.

May 2001 Debt Offering

On May 10, 2001, we issued $450.0 million aggregate principal amount of our 9 3/8% senior notes for proceeds of $441.0 million (after underwriting discounts of $9.0 million).

Restructuring

In July 2001, we announced a restructuring of our business in order to increase operational efficiency and better align costs with anticipated revenues. As part of the restructuring, we reduced our global staff by approximately 312 full-time employees. In addition, we have closed several offices in the United States, and we have closed our development offices in Brazil and Europe. The actions taken for the restructuring were substantially completed as of the end of 2001. In connection with the restructuring, we recorded non-recurring cash charges of approximately $19.4 million during 2001 related to employee severance payments and costs of office closures.

In addition, on March 1, 2002, we announced plans to record a non-recurring restructuring charge estimated to be between approximately $7.0 million and $13.0 million with respect to staff redundancies and the disposition of certain service lines in connection with our United Kingdom operations. The charge is expected to be reflected in our results of operations for the first quarter 2002.

Senior Management and Board of Directors Changes

Our Board of Directors appointed John P. Kelly as President and Chief Executive Officer effective August 20, 2001. Ted B. Miller, Jr., our former Chief Executive Officer and co-founder, remains a director and non-executive Chairman of our Board. In addition, Lee W. Hogan, age 56, and Dale N. Hatfield, age 63, were appointed to our Board of Directors in March 2001 and July 2001, respectively, to fill vacancies on the Board. Carl Ferenbach resigned from our Board of Directors effective as of May 2, 2001.

Risk Factors

You should carefully consider the risks described below, as well as the other information contained in this document, when evaluating your investment in our securities.

Substantial Level of Indebtedness--Our substantial level of indebtedness could adversely affect our ability to react to changes in our business. We may also be limited in our ability to use debt to fund future capital needs.

We have a substantial amount of indebtedness. The following chart sets forth certain important credit information and is presented as of December 31, 2001 (dollars in thousands).

Total indebtedness	$3,423,097
Redeemable preferred stock	878,861
Stockholders' equity	2,364,648
Debt and redeemable preferred stock to equity ratio	1.82x

In addition, our earnings for the twelve months ended December 31, 2001 were insufficient to cover fixed charges by $351.0 million.

As a result of our substantial indebtedness:

- 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; and
- we will have a competitive disadvantage relative to other companies in our industry with less debt.

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, pay our obligations under our convertible preferred stock 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.

Ability to Service Debt--To service our indebtedness, we will require a significant amount of cash from our subsidiaries. An inability to access our subsidiaries' cash flow may lead to an acceleration of our indebtedness, including our notes. Currently, the instruments governing our subsidiaries' indebtedness do not allow sufficient funds to be distributed to CCIC to service its indebtedness.

If CCIC is unable to refinance its subsidiary debt or renegotiate the terms of such debt, CCIC may not be able to meet its debt service requirements, including interest payments on our notes, in the future. Our 9% senior notes, our 9 1/2% senior notes, our 10 3/4% senior notes and our 9 3/8% senior notes require annual cash interest payments of approximately $16.2 million, $11.9 million, $53.8 million and $42.2 million, respectively. Prior to November 15, 2002, May 15, 2004 and August 1, 2004, the interest expense on our 10 5/8% discount notes, our 10 3/8% discount notes and our 11 1/4% discount notes, respectively, will be comprised solely of the amortization of original issue discount. Thereafter, the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes will require annual cash interest payments of approximately $26.7 million, $51.9 million and $29.3 million, respectively. 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 CCUK bonds are (Pounds)11.25 million ($16.4 million). In addition, our various credit facilities will require periodic interest payments on amounts borrowed thereunder.

Our Business Depends on the Demand for Wireless Communications and Towers--We will be adversely affected by any slowdown in the growth of, or reduction in 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. The demand for our sites depends on many 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 relating to owning or leasing communication sites;
- the availability of equipment to wireless carriers;
- changes in telecommunications regulations; and
- general economic conditions.

A slowdown in the growth of, or reduction in, demand in a particular wireless segment could adversely affect the demand for communication sites. Moreover, wireless carriers often operate with substantial indebtedness, and financial problems for our customers could result in accounts receivable going uncollected, the loss of a customer (and associated lease revenue) or a reduced ability of these customers to finance expansion activities. A slowdown in the deployment of equipment for new wireless technology, the consolidation of wireless carriers or the sharing of networks by wireless carriers could also adversely affect the demand for our sites. Finally, advances in technology, such as the development of new satellite and antenna systems, could reduce the need for land-based, or terrestrial, transmission networks. In recent years, all of the above factors have occurred to some extent with an adverse effect on our business, and such factors are likely to persist in the future. The occurrence of any of these factors could have a material adverse effect on our financial condition and results of operations.

Continuation of the Current Economic and Telecommunications Industry Slowdown--This slowdown could materially and adversely affect our business (including reducing demand for our towers and services) and the business of our customers.

The significant general slowdown in the U.S. and certain international economies, particularly in the wireless and telecommunications industries, has negatively affected the factors described in the immediately preceding risk factor, influencing demand for tower space and tower related services. This slowdown could reduce consumer demand for wireless services, or negatively impact the debt and equity markets, thereby causing carriers to delay or abandon implementation of new systems and technologies, including 3G and other wireless broadband services.

We believe that the current economic slowdown, particularly in the wireless and telecommunications industries, has already harmed, and may continue to harm, the financial condition of some wireless service providers, certain of which, including customers of ours, have filed or may file for bankruptcy.

Failure to Properly Manage Our Growth--If we are unable to successfully integrate acquired operations or manage our existing operations as we grow, our business will be adversely affected, and we may not be able to continue our current business strategy.

We cannot guarantee that we will be able to successfully integrate acquired businesses and assets into our business or implement our growth 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 have grown significantly over the past three years, and such growth continues to be an important part of our business plan. The addition of over 13,000 towers and approximately 30,000 tenants to our operations over the past three years has and will continue to increase our current business considerably and adds significant operational complexities. Further, we will be integrating the additional sites relating to the British Telecom Agreement into our portfolios. See "Business--The Company--U.K. Operations--Significant Contracts--British Telecom Agreement". Successful integration of these transactions and assets will depend primarily on our ability to manage these combined operations. Our net loss increased to $366.2 million for the twelve months ended December 31, 2001 from $204.8 million for the twelve months ended December 31, 2000, an increase of 78.8%, as a result of our expanded business operations and the financing thereof, including a 37.6% increase in depreciation and amortization and a 23.3% increase in interest expense as compared to the twelve months ended December 31, 2000. We expect that such net losses, at least in the near term, will continue to exceed those of comparable prior-year periods as a result of our growth and the financing thereof.

Implementation of any future acquisitions 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 certain acquisitions and joint venture opportunities may require substantial attention from our senior management, which will limit the amount of time they would otherwise be able to devote to our existing operations.

A Substantial Portion Of Our Revenues Is Derived From a Small Number of Customers, Including the BBC, NTL, ITVdigital And Verizon--The loss or consolidation of any of our limited number of customers could materially decrease revenues.

Approximately 61.6% or our revenues are derived from 10 customers. The loss of any one of our large customers as a result of bankruptcy, merger, consolidation with others customers of ours or otherwise could materially decrease our revenues and have other adverse effects on our business.

In addition, a substantial portion of our revenues are received from a few major wireless carriers, particularly carriers that have transferred their tower assets to us. We cannot guarantee that the lease or management service agreements with such carriers will not be terminated or that these carriers will renew such agreements.

If we were to lose our contracts with the BBC or ITVdigital or our site sharing agreement with NTL, we would likely lose a substantial portion of our revenues. The BBC accounted for approximately 10.4% of our revenues for the twelve-month period ended December 31, 2001. Further, ITVdigital and NTL have recently been experiencing some financial difficulties, and there can be no assurances that we will not experience adverse effects relating to the financial difficulties of either such company. On March 27, 2002, a U.K. court approved an application by ITVdigital to be placed into administration (a proceeding, similar to a Chapter 11 bankruptcy proceeding in the United States, designed to protect the applicant from the claims of its creditors while it reorganizes its business). There can be no assurances as to the outcome of this action or its effect on us. Our primary concern will be any modification to our ITVdigital transmission contract resulting from these administration proceedings. ITVdigital accounted for approximately $30.7 million, or 3.4%, of our revenues for the twelve-month period ended December 31, 2001. The loss of ITVdigital as a customer or the modification of the ITVdigital transmission contract could have an adverse effect on our results of operations.

Our broadcast business is substantially dependent on our contracts with the BBC. We cannot guarantee that the BBC will renew our 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 these BBC contracts, our business, results of operations and financial condition would be materially adversely affected. 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, the BBC can terminate our digital transmission contract with them after October 31, 2003 if the BBC's board of governors does not believe that digital television in the United Kingdom has enough viewers.

A substantial portion of our U.K. broadcast transmission operations is conducted using sites owned by NTL, our principal broadcast competitor in the United Kingdom. NTL also utilizes our sites for their broadcast operations. This site sharing arrangement with NTL may be terminated on December 31, 2015, or any 10-year anniversary of that date, with five years' prior notice by either us or NTL, and may be terminated sooner if there is a continuing breach of the agreement. We cannot guarantee that this agreement will not be terminated, which could have a material adverse effect on our business, results of operations and financial condition.

As a Holding Company, We Require Dividends From Subsidiaries to Meet Cash Requirements or Pay Dividends--If our subsidiaries are unable to dividend cash to us when we need it, we may be unable to pay dividends or satisfy our obligations, including interest and principal payments, under our debt instruments.

Crown Castle International Corp., or "CCIC", is a holding company with no business operations of its own. CCIC's only significant asset is the outstanding capital stock of its subsidiaries. CCIC conducts all of 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 and principal on its outstanding indebtedness is distributions relating to its ownership interest in its subsidiaries from the net earnings and cash flow generated by such subsidiaries or from proceeds of debt or equity offerings. We currently expect that the earnings and cash flow of CCIC's subsidiaries will be retained and used by such subsidiaries in their operations, including the service of their respective debt obligations. Even if we did determine to make a distribution in respect of the capital stock of CCIC's subsidiaries, there can be no assurance that CCIC's subsidiaries will generate sufficient cash flow to pay or distribute such a dividend or funds, or that applicable state law and contractual restrictions, including negative covenants contained in the debt instruments of such subsidiaries, would permit such dividends, distributions or payments. Furthermore, the terms of our credit facilities place restrictions on our principal subsidiaries' 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. Moreover, CCIC's subsidiaries are 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 "Business--Risk Factors--Substantial Level of Indebtedness" and "Business--Risk Factors--Ability to Service Debt".

Restrictive Debt Covenants--The terms of our debt instruments limit our ability to take a number of actions that our management might otherwise believe to be in our best interests. In addition, if we fail to comply with our covenants, our debt could be accelerated.

Currently we have debt instruments in place that restrict our ability to incur more indebtedness, pay dividends, create liens, sell assets and engage in certain mergers and acquisitions. Our subsidiaries, under their 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.

We Operate Our Business In an Increasingly Competitive Industry and Some Of Our Competitors Have Significantly More Resources--As a result of this competition, we may find it more difficult to achieve favorable lease rates on our towers.

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

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

- traditional local independent tower operators; and

- alternative facilities such as billboards, weather balloons, utility poles and rooftops.

Wireless carriers that own and operate their own tower portfolios generally are substantially larger and have greater financial resources than we have. Further, the weak financial status of certain of our competitors could lead to increased competition in certain areas. Competition for tenants on towers could adversely affect lease rates and service income.

New Technologies Could Make Our Tower Antenna Leasing Services Less Desirable to Potential Tenants and Result in Decreasing Revenues--Such new technologies could decrease demand for tower leases and negatively impact our revenues.

The development and implementation of signal combining technologies ("dual-band" technologies), which permit one antenna to service two different transmission frequencies and, thereby, two customers, may reduce the need for tower-based broadcast transmission and hence demand for our antenna space.

Mobile satellite systems and other new technologies could compete with land-based wireless communications systems, thereby reducing the demand for tower lease space and other services we provide. The FCC has granted license applications for several low-earth orbiting satellite systems that are intended to provide mobile voice or data services. The growth in delivery of video services by direct broadcast satellites could also adversely affect demand for our antenna space.

Other technologies which may be developed and emerge could serve as substitutes and alternatives to leasing which might otherwise be anticipated or expected on our sites and towers had such technologies not existed. Any reduction in tower leasing demand resulting from dual band, satellite or other technologies could negatively impact our revenues or otherwise have a material adverse effect on our business, financial condition or results of operations.

Agreements Among Our Customers May Act as Alternatives to Leasing Sites From Us--The proliferation of such agreements could have a material adverse effect on our revenues and operations.

Wireless service providers frequently enter into agreements with competitors allowing them to utilize one another's wireless communications facilities to accommodate customers who are out of range of their home providers' services. In addition, wireless service providers have also entered into agreements allowing two or more carriers to share a single wireless network. Such agreements may be viewed by wireless service providers as a superior alternative to leasing space for their own antennas on our communication sites. The proliferation of these roaming and network sharing agreements could have a material adverse effect on our business, financial condition or results of operations.

We May Not Be Able To Construct or Acquire New Towers at The Pace and In The Locations That We Desire--If we are unable to do so, we may not be able to satisfy our current agreements to build new towers and we may have difficulty finding tenants to lease space on our new towers.

Our growth strategy depends in part on our ability to construct and operate towers in conjunction with expansion by wireless carriers. If we are unable to build new towers when wireless carriers require them, or we are unable to build new towers where we believe the best opportunity to add tenants exists, we could fail to meet certain contractual obligations, or we could lose opportunities to lease space on our towers.

Our ability to construct these new towers could 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 their tower networks.

All of the above factors could affect both our domestic and international operations. In addition, competition laws could prevent us from acquiring or constructing towers or tower networks in certain geographical areas.

Variability In Demand For Network Services May Reduce The Predictability of Our Results--Our network services business has historically experienced significant volatility in demand. As a result, the operating results of our network services business for any particular period may vary significantly and should not be considered as necessarily being indicative of longer-term 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;

- the availability of equipment to wireless carriers;

- 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. Furthermore, as wireless carriers complete their build-outs, the need for the construction of new towers and the demand for our network services could decrease significantly and could result in fluctuations and, possibly, significant declines in our operating performance.

We Anticipate Significant Capital Expenditures and May Need Additional Financing Which May Not Be Available--If we are unable to raise capital in the future when needed, we may not be able to fund our operations and future growth.

Over time, we will continue to require significant capital expenditures for the construction and strategic acquisition of sites. We have agreed to lease space on and develop as many as 4,000 British Telecom exchange sites throughout the United Kingdom. We expect to invest an aggregate of approximately $325 million developing the British Telecom site portfolio. See "Business--The Company--U.K. Operations--Significant Contracts--British Telecom Agreement". Under our build-to-suit agreements with certain wireless carriers, we are required to construct certain towers and incur capital expenditures. Our partners in our two joint ventures with Verizon Communications will have the right (after January 31, 2003 in the case of the GTE JV and after March 31, 2002, in the case of the Bell Atlantic JV) to dissolve those joint ventures and require us to purchase (for cash, in the case of the GTE JV, and for cash or common stock, at our option, in the case of the Bell Atlantic JV) their interests in the joint ventures; such action may negatively impact our liquidity or cause dilution of our common stock. See "Business--The Company--U.S. Operations." In addition, some of the other opportunities that we are currently investigating could require significant additional capital.

We had cash, cash equivalents and marketable securities of $1,006 million at December 31, 2001. We also had approximately $1,172 million in outstanding borrowings under our credit facilities at that date. The remaining borrowing availability of approximately $589 million under the credit facilities was undrawn. Our ability to borrow under the credit facilities is limited by the financial covenants contained in those agreements, including covenants regarding the ratio of total debt to EBITDA and interest and fixed charge coverage ratios relating to us and our subsidiaries. Under the terms of the credit facilities, we could draw the available $589 million in additional borrowings as of December 31, 2001 while remaining in compliance with these covenants.

We may need additional sources of debt or equity capital in the future. Additional financing may not be available or may be restricted by the terms of our credit facilities and the terms of our other outstanding indebtedness. Additional sales of equity securities will dilute our existing stockholders. If we are unable to raise capital when our needs arise, we may not be able to fund our operations and future growth.

We Generally Lease or Sublease the Land Under Our Towers and May Not Be Able to Maintain These Leases--If we fail to protect our rights against persons claiming superior rights in our sites, our business may be adversely affected.

Our real property interests relating to our sites consist primarily of fee interests, leasehold and sub-leasehold interests, easements, licenses and rights-of-way. A loss of these interests, including losses arising from the bankruptcy of one or more of our lessors or from the default by one or more of our lessors under their mortgage financing, could interfere with our ability to conduct our business and generate revenues. For various reasons, we may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to completing an acquisition of sites. Further, we may not be able to renew ground leases on commercially viable terms. Our inability to protect our rights to the land under our towers could have a material adverse affect on our business, financial condition and results of operations.

Extensive Regulations Which Could Change at Any Time and With Which We Could Fail to Comply Regulate Our Business--If we fail to comply with applicable regulations, we could be fined or even lose our right to conduct some of our business.

A variety of foreign, federal, state and local regulations apply to our business. Failure to comply with applicable requirements may lead to civil penalties or require us to assume costly indemnification obligations or breach contractual provisions. 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 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 our analog transmission contract with the BBC, the BBC has increased its service requirements to include 24-hour broadcasting on our transmission network for the BBC's two national television services and a requirement for us to add a number of additional analog stations and service enhancements to existing analog stations. The BBC has agreed to pay additional charges to us for these service enhancements. These additional charges required a revision amendment to that part of CCUK's transmission telecommunications license dealing with price regulation of analog broadcasting services to the BBC. The BBC and OFTEL, the relevant regulatory authority in the United Kingdom, have agreed to modify the license regulatory provisions to take into account these agreed additional payments.

Emissions From Our Antennas May Create Health Risks--We could suffer from future claims if the radio frequency emissions from equipment on our towers is demonstrated to cause negative health effects.

The FCC and other government agencies impose requirements and other guidelines on its licensees 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. We cannot guarantee that claims relating to radio frequency emissions will not arise in the future.

Public perception of possible health risks associated with cellular and other wireless communications could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services.

Our exposure to the potential risk of harm due to radio frequency emissions may increase as the number of rooftop sites in our portfolios, including the sites we acquire on rooftops of British Telecom exchange sites pursuant to our agreement with British Telecom, increases. See "Business--The Company--U.K. Operations--Significant Contracts--British Telecom Agreement". Rooftop sites may tend to be more accessible to a wider range of personnel (including personnel with little or no knowledge of wireless communications equipment) than tower sites, increasing the number of persons who may be potentially exposed to emissions emanating from equipment located on such rooftops.

If a connection between radio emissions and possible negative health effects were established, our operations, costs and revenues would be materially and adversely affected. We do not maintain any significant insurance with respect to these matters.

Our International Operations Expose Us to Changes in Foreign Currency Exchange Rates--If we fail to properly match or hedge the currencies in which we conduct business, we could suffer losses as a result of changes in currency exchange rates.

We conduct business in countries outside the United States, which exposes us to fluctuations in foreign currency exchange rates. For the twelve months ended December 31, 2001, approximately 28.7% of our consolidated revenues originated outside the United States, all of which were denominated in currencies other than U.S. dollars, principally British pounds sterling and Australian dollars. We have not historically engaged in significant hedging activities relating to our non-U.S. dollar operations, and we could suffer future losses as a result of changes in currency exchange rates.

We Are Heavily Dependent on Our Senior Management--If we lose members of our senior management, we may not be able to find appropriate replacements on a timely basis and our business could be adversely affected.

Our existing operations and continued future development depend to a significant extent upon the performance and active participation of certain key individuals as employees, including our chief executive officer. We cannot guarantee that we will be successful in retaining the services of these or other key personnel. Most of our executives, including our chief executive officer, have not signed noncompetition agreements. If we were to lose any of these individuals, we may not be able to find appropriate replacements on a timely basis and our financial condition and results of operations could be materially adversely affected.

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 could make it more difficult for a third party to acquire control of us even if such a change in control would be beneficial to you.

We have a number of anti-takeover devices in place that will hinder takeover attempts and could reduce the market value of our common stock. Our anti-takeover provisions include:

- a staggered board of directors;
- a shareholder rights agreement;
- the authority of the board of directors to issue preferred stock without approval of the holders of common stock; and
- advance notice requirements for director nominations and actions to be taken at annual meetings.

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. Further, our BBC contracts may be terminated upon the occurrence of certain change of control events described in such contracts. Such provisions, as well as the provisions of Section 203 of the Delaware General Corporation Law, could impede a merger, consolidation, takeover or other business combination or discourage a potential acquiror from making a tender offer or otherwise attempting to obtain control of us.

Shares Eligible For Future Sale--Sales of a substantial number of shares of common stock could adversely affect the market price of the common stock.

Future sales of a substantial number of shares of our common stock could adversely affect the market price of our common stock. As of March 15, 2002, we had 219,842,529 shares of common stock outstanding. In addition, we have reserved 32,435,557 shares of common stock for issuance under our various stock option plans, 1,639,990 shares of common stock upon exercise of outstanding warrants and 18,357,114 shares of common stock for the conversion of our outstanding convertible preferred stock.

A small number of shareholders owns a significant percentage of our outstanding common stock. If any one of these shareholders, or any group of our shareholders, sells a large quantity of shares of our common stock, or the public market perceives that existing shareholders might sell shares of common stock, the market price of our common stock could significantly decline.

Pursuant to a disposition agreement which we entered into with France Telecom, on July 5, 2000 France Telecom sold its remaining interest in us (approximately 17.7 million shares of common stock) to Salomon Brothers International Limited, or "SBIL", which agreed to hold such shares for a lock-up period which expired on June 8, 2001. After such date, SBIL is entitled to sell these shares, and after June 8, 2002, we will have the right to require SBIL to sell any such remaining shares. The sale of all or a portion of these shares held by SBIL could adversely affect the market price of our common stock.

The holders of our 8 1/4% Convertible Preferred Stock and our 6.25% Convertible Preferred Stock are entitled to receive cumulative dividends at the rate of 8 1/4% per annum and 6.25% per annum, respectively, payable on a quarterly basis. We have the option to pay the dividends on such series of preferred stock in cash or in shares of our common stock. We have historically paid such dividends with shares of our common stock, and we expect to continue to do so. The number of shares of our common stock required to be issued to pay such dividends is dependent upon the current market value of our common stock at the time such dividend is required to be paid. For the years ended December 31, 2000 and 2001, dividends on our 8 1/4% Convertible Preferred Stock were paid with 579,000 and 1,400,000 shares of common stock, respectively, and dividends on our 6.25% Convertible Preferred Stock were paid with 281,968 and 1,781,764 shares of common stock, respectively. The shares of common stock issued to pay such dividends will continue to have a dilutive effect upon the shares of our common stock otherwise outstanding, and further declines in the fair market value of our common stock will increase the effective dilution.

Disputes With Customers and Suppliers Have Recently Increased--Such disputes could lead to increased tensions, damaged relationships or litigation which could result in the loss of a key customer or supplier.

We have recently experienced a rise in the number of conflicts or disputes between ourselves and some of our customers and service providers. Most of these disputes relate to the interpretation of terms in our contracts. While we seek to resolve such conflicts amicably and have generally resolved customer and supplier disputes on commercially reasonable terms, such disputes could lead to increased tensions and damaged relationships between ourselves and these entities, some of whom are key customers or suppliers of ours. In addition, if we are unable to resolve these differences amicably, we may be forced to litigate these disputes in order to enforce or defend our rights. There can be no assurances as to the outcome of these disputes. Damaged relationships or litigation with our key customers or suppliers could lead to decreased revenues (including as a result of losing a customer) or increased costs, which would have a material adverse effect on our business, operations or financial condition.

Item 2. Properties

Our principal corporate offices are located in Houston, Texas; Canonsburg, Pennsylvania; Warwick, United Kingdom; and Sydney, Australia.

Location	Title	Size (Sq. Ft.)	Use
Houston, TX	Owned	19,563	Corporate office
Canonsburg, PA	Owned	124,000	Corporate office
Warwick, U.K	Owned	50,000	Corporate office
Warwick, U.K	Leased	18,775	Corporate office
Sydney, Australia	Leased	10,500	Corporate office

We have 13 additional regional offices in the United States and Puerto Rico throughout our tower coverage areas, including Albany, Alpharetta (Georgia), Birmingham, Boca Raton, Canonsburg (Pennsylvania), Charlotte, Houston, Indianapolis, Louisville, Franklin (Tennessee), Phoenix, Pleasanton (California) and San Juan. The principal responsibilities of these offices are to manage the leasing of tower space on a regional basis, maintain the towers already located in the region and implement our build-to-suit commitments in the area. We also own a 48,500 square foot building in Canonsburg, Pennsylvania which is currently vacant and for sale or lease.

In the United States, our interests in our tower sites are comprised of a variety of ownership interests, leases 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. Our 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 we allow the landlord to use tower space in lieu of paying all or part of the land rent. As of December 31, 2001, we had approximately 8,500 land leases in the United States. Under the 2000 Credit Facility, our senior lenders have liens on a substantial number of our 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 shelters 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. As of December 31, 2001, we had approximately 2,070 land leases in the U.K.

In Australia, our interests in tower sites are comprised of mainly leases and licenses granted by private, governmental and semi-governmental entities and individuals. The tower sites range from approximately 430 square feet to 2,400 square feet. Our land leases generally have terms up to 15 years through sequential leases and options to renew. As of December 31, 2001, we owned or managed a portfolio of approximately 1,391 towers in Australia. For approximately 1,322 of these towers, site tenure takes the form of a land lease or occupation license. For the balance, tenure on the land is currently secured by statutory access rights.

Item 3. 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.

Item 4. Submissions of Matters to a Vote of Security Holders

None.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Price Range of Common Stock

The Common Stock is listed and traded on the New York Stock Exchange ("NYSE") under the symbol "CCI". Prior to April 25, 2001, the Common Stock was listed and traded on The Nasdaq Stock Market's National MarketSM ("Nasdaq") under the symbol "TWRS". The following table sets forth for the calendar periods indicated the high and low sales prices per share of the Common Stock as reported by NYSE and Nasdaq.

	High	Low
2000:		
First Quarter	$44.75	$28.19
Second Quarter	40.38	23.06
Third Quarter	39.69	24.50
Fourth Quarter	32.25	21.38
2001:		
First Quarter	$30.13	$13.88
Second Quarter	25.76	11.19
Third Quarter	16.15	7.40
Fourth Quarter	12.50	8.14

As of March 15, 2002, there were approximately 561 holders of record of the Common Stock.

Dividend Policy

We have never declared nor 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 cash 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 certificates of designations in respect of our exchangeable preferred stock and our convertible preferred stock.

The holders of our 8 1/4% Convertible Preferred Stock and our 6.25% Convertible Preferred Stock are entitled to receive cumulative dividends at the rate of 8 1/4% per annum and 6.25% per annum, respectively, payable on a quarterly basis. We have the option to pay the dividends on such series of preferred stock in cash or in shares of our common stock. We have historically paid such dividends with shares of our common stock, and we expect to continue to do so. The number of shares of our common stock required to be issued to pay such dividends is dependent upon the current market value of our common stock at the time such dividend is required to be paid. For the years ended December 31, 2000 and 2001, dividends on our 8 1/4% Convertible Preferred Stock were paid with 579,000 and 1,400,000 shares of common stock, respectively, and dividends on our 6.25% Convertible Preferred Stock were paid with 281,968 and 1,781,764 shares of common stock, respectively. The shares of common stock issued to pay such dividends will continue to have a dilutive effect upon the shares of our common stock otherwise outstanding, and further declines in the fair market value of our common stock will increase the effective dilution.

Issuance of Unregistered Securities

Except as described below, we made no unregistered sales of equity securities during 2001.

On January 3, 2001, we issued 64,404 shares of unregistered common stock to the prior majority shareholder of Millennium Communications Limited in connection with the acquisition of Millennium by CCUK, which originally closed on October 8, 1998. The shares were issued in an exempt transaction pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Act").

Item 6. Selected Financial Data

The selected historical consolidated financial and other data for the Company set forth below for each of the five years in the period ended December 31, 2001, and as of December 31, 1997, 1998, 1999, 2000 and 2001, have been derived from the consolidated financial statements of the Company, which have been audited by KPMG LLP, independent accountants. The results of operations for the year ended December 31, 2001 are not comparable to the year ended December 31, 2000, the results for the year ended December 31, 2000 are not comparable to the year ended December 31, 1999, and the results for the year ended December 31, 1999 are not comparable to the year ended December 31, 1998 as a result of business and tower acquisitions consummated in 1998, 1999 and 2000. Results of operations of these acquired businesses and towers are included in the Company's consolidated financial statements for the periods after the respective dates of acquisition. The information set forth below should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data".

	Years Ended December 31,				
	1997	1998	1999	2000	2001
	(In thousands of dollars, except per share amounts)				
Statement of Operations Data:					
Net revenues:					
Site rental and broadcast transmission..........	$ 11,010	$ 75,028	$ 267,894	$ 446,039	$ 575,961
Network services and other.................	20,395	38,050	77,865	203,126	322,990
Total net revenues...	31,405	113,078	345,759	649,165	898,951
Costs of operations:					
Site rental and broadcast transmission..........	2,213	26,254	114,436	194,424	238,748
Network services and other.................	13,137	21,564	42,312	120,176	228,485
Total costs of operations..........	15,350	47,818	156,748	314,600	467,233
General and administrative.........	6,824	23,571	43,823	76,944	102,539
Corporate development(a).........	5,731	4,625	5,403	10,489	12,337
Restructuring charges...	--	--	5,645	--	19,416
Asset write-down charges................	--	--	--	--	24,922
Non-cash general and administrative compensation charges(b)............	--	12,758	2,173	3,127	6,112
Depreciation and amortization...........	6,952	37,239	130,106	238,796	328,491
Operating income (loss).................	(3,452)	(12,933)	1,861	5,209	(62,099)
Equity in earnings (losses) of unconsolidated affiliate.............	(1,138)	2,055	--	--	--
Interest and other income (expense)(c)....	1,951	4,220	17,731	33,761	8,548
Interest expense and amortization of deferred financing costs..................	(9,254)	(29,089)	(110,908)	(241,294)	(297,444)
Loss before income taxes, minority interests, extraordinary item and cumulative effect of change in accounting principle.............	(11,893)	(35,747)	(91,316)	(202,324)	(350,995)
Provision for income taxes..................	(49)	(374)	(275)	(246)	(16,478)
Minority interests......	--	(1,654)	(2,756)	(721)	1,306
Loss before extraordinary item and cumulative effect of change in accounting principle...	(11,942)	(37,775)	(94,347)	(203,291)	(366,167)
Extraordinary item--loss on early extinguishment of debt................	--	--	--	(1,495)	--
Cumulative effect of change in accounting principle for costs of start-up activities....	--	--	(2,414)	--	--
Net loss...............	(11,942)	(37,775)	(96,761)	(204,786)	(366,167)
Dividends on preferred stock..................	(2,199)	(5,411)	(28,881)	(59,469)	(79,028)
Net loss after deduction of dividends on preferred stock........	$ (14,141)	$ (43,186)	$ (125,642)	$ (264,255)	$ (445,195)
Per common share--basic and diluted:					
Loss before					

extraordinary item and cumulative effect of change in accounting principle	$ (2.27)	$ (1.02)	$ (0.94)	$ (1.47)	$ (2.08)
Extraordinary item	--	--	--	(0.01)	--
Cumulative effect of change in accounting principle	--	--	(0.02)	--	--
Net loss	$ (2.27)	$ (1.02)	$ (0.96)	$ (1.48)	$ (2.08)
Common shares outstanding--basic and diluted (in thousands)	6,238	42,518	131,466	178,588	214,246
Other Data:					
EBITDA(d)	$ 3,500	$ 37,064	$ 139,785	$ 247,132	$ 316,842
Summary cash flow information:					
Net cash provided by (used for) operating activities	(624)	44,976	92,608	165,495	131,930
Net cash used for investing activities	(111,484)	(149,248)	(1,509,146)	(1,957,687)	(895,136)
Net cash provided by financing activities	159,843	345,248	1,670,402	1,707,091	1,109,309
Ratio of earnings to fixed charges(e)	--	--	--	--	--
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 55,078	$ 296,450	$ 549,328	$ 453,833	$ 804,602
Property and equipment, net	81,968	592,594	2,468,101	4,303,037	4,844,912
Total assets	371,391	1,523,230	3,836,650	6,401,885	7,375,458
Total debt	156,293	429,710	1,542,343	2,602,687	3,423,097
Redeemable preferred stock(f)	160,749	201,063	422,923	842,718	878,861
Total stockholders' equity	41,792	737,562	1,617,747	2,420,862	2,364,648

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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 (1) nonrecurring cash bonuses of $0.9 million paid to certain executive officers in connection with CCIC's initial investment in CCUK (the "CCUK Investment"); and (2) 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 CCUK Investment.
(b) Represents charges related to the issuance of stock options to certain employees and executives, and the issuance of common stock and stock options in connection with certain acquisitions.
(c) Includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CCUK in connection with the CCUK Investment.
(d) EBITDA is defined as operating income (loss) plus depreciation and amortization, non-cash general and administrative compensation charges, asset write-down charges and restructuring 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.
(e) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes, minority interests, extraordinary item, cumulative effect of change in accounting principle, 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, 1997, 1998, 1999, 2000 and 2001, earnings were insufficient to cover fixed charges by $10.8 million, $37.8 million, $91.3 million, $202.3 million and $351.0 million, respectively.
(f) The 1997 amount represents (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 our initial public offering of common stock (the "IPO"). The 1998 amount represents the 12 3/4% exchangeable preferred stock. The 1999 amount represents the 12 3/4% exchangeable preferred stock and the 8 1/4% convertible preferred stock. The 2000 and 2001 amounts represent the 12 3/4% exchangeable preferred stock, the 8 1/4% convertible preferred stock and the 6.25% convertible preferred stock.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to assist in understanding our consolidated financial condition as of December 31, 2001 and our consolidated results of operations for each year in the three-year period ended December 31, 2001. The statements in this discussion regarding the industry outlook, our expectations regarding the future performance of our businesses and the other nonhistorical statements in this discussion are forward-looking statements. See "--Cautionary Statement for Purposes of Forward-Looking Statements". This discussion should be read in conjunction with "Selected Financial Data" and the consolidated financial statements and related notes included elsewhere in this document. Results of operations of the acquired businesses and towers that are wholly and majority owned are included in our consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, our results of operations for the year ended December 31, 2001 are not comparable to the year ended December 31, 2000, and the results for the year ended December 31, 2000 are not comparable to the year ended December 31, 1999.

Overview

The continued growth of our business depends substantially on the condition of the wireless communications and broadcast industries. We believe that the demand for communications sites will continue to grow and expect 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) planning to use a tower site as a common location, or "co-locating", for the placement of their antennas and transmission equipment alongside the equipment of other communications providers. In addition, we believe that more wireless carriers will seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers, such as the Company, that have the demonstrated ability to manage the assets.

Further, we believe that wireless carriers and broadcasters will continue to seek to outsource the operation of their towers and may, eventually, outsource their transmission networks, including the transmission of their signals. Management believes that our ability to manage towers and transmission networks and our proven track record of providing services addressing all aspects of signaling systems from the originating station to the terminating receiver, or "end-to-end" services, to the wireless communications and broadcasting industries position our company to capture such business.

The willingness of wireless carriers to utilize our 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;
- technological changes affecting the number of communications sites needed to provide wireless communications services to a given geographic area; and
- our ability to efficiently satisfy their service requirements.

Our revenues that are derived from the provision of transmission services to the broadcasting industry will be affected by, among other things:

- the timing of the rollout of digital television broadcasts from tower-mounted antenna systems, or "digital terrestrial television broadcasts", principally in the United Kingdom;
- consumer demand for digital terrestrial broadcasting;
- interest rates;
- cost of capital;
- zoning restrictions on towers; and
- the cost of building towers.

As an important part of our business strategy, we will seek to:

(1) maximize utilization of our tower capacity,

(2) utilize the expertise of U.S., U.K. and Australian personnel to capture global growth opportunities,

(3) partner with wireless carriers to assume ownership of their existing towers, and

(4) build new towers for wireless carriers.

Critical Accounting Policies

The following is a discussion of the accounting policies that we believe (1) are most important to the portrayal of our financial condition and results of operations and (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Revenue Recognition

Site rental and broadcast transmission revenues are recognized on a monthly basis over the term of the relevant lease, agreement or contract. These revenues are recognized on a straight-line basis, regardless of whether the payments from the customer are received in equal monthly amounts. Some agreements provide for rent-free periods at the beginning of the lease term, while others call for rent to be prepaid for some period. If the payment terms call for fixed escalations (as in fixed dollar or fixed percentage increases), the effect of such increases is spread evenly over the term of the agreement. As a result of this accounting method, a portion of the revenue recognized in a given period represents cash collected in other periods. For 2001, the non-cash portion of our site rental and broadcast transmission revenues amounted to approximately $23.6 million.

Network services revenues are generally recognized under (1) the completed contract method or (2) the percentage-of-completion method. Under the completed contract method, revenues and costs for a particular project are recognized in total at the completion date. Under the percentage-of-completion method, costs are recognized as incurred and revenues are recognized based on the proportion of contract costs incurred compared to the estimated total contract costs. The completed contract method is used for projects that require relatively short periods of time to complete (primarily antenna installations, which generally require three months or less). The percentage-of-completion method is used for projects that require longer periods to complete.

When using the completed contract method of accounting for network services revenues, we must accurately determine the completion date for the project in order to record the revenues and costs in the proper period. For antenna installations, we consider the project complete when the customer can begin transmitting its signal through the antenna. When using the percentage-of-completion method, we must be able to accurately estimate the total costs we expect to incur on a project in order to record the proper amount of revenues for the period. Under both methods, we must be able to estimate losses on uncompleted contracts, as such losses must be recognized as soon as they are known. We do not believe that our use of the completed contract method for short-term projects produces operating results that differ substantially from the percentage-of-completion method.

Allowance for Doubtful Accounts Receivable

As part of our normal accounting procedures, we must evaluate our outstanding accounts receivable to estimate whether they will be collected. This is a subjective process that involves making judgments about our customers' ability and willingness to pay these accounts. An allowance for doubtful accounts is recorded as an offset to accounts receivable in order to present a net balance that we believe will be collected. In estimating the appropriate balance for this allowance, we consider (1) specific reserves for accounts we believe may prove to be uncollectible and (2) additional reserves, based on historical collections, for the remainder of our accounts. Additions to the allowance for doubtful accounts are charged to operating expenses, and deductions from the allowance are recorded when specific accounts receivable are written off as uncollectible. If our estimate of uncollectible accounts should prove to be inaccurate at some future date, the results of operations for the period could be materially effected by any necessary correction to the allowance for doubtful accounts.

Valuation of Long-Lived Assets

We review the carrying values of property and equipment and other long-lived assets, including goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If the sum of the estimated future cash flows (undiscounted) from the asset is less than its carrying amount, an impairment loss is recognized. Measurement of an impairment loss is based on the fair value of the asset. Our determination that an adverse event or change in circumstance has occurred will generally involve (1) a deterioration in an asset's financial performance compared to historical results, (2) a shortfall in an asset's financial performance compared to forecasted results or (3) a change in strategy affecting the utility of the asset. Our measurement of the fair value of an impaired asset will generally be based on an estimate of discounted future cash flows.

On January 1, 2002, we will adopt the new accounting standard for goodwill and intangible assets (see "--Impact of Recently Issued Accounting Standards"). In accordance with that new standard, we will review goodwill for impairment on an annual basis, regardless of whether adverse events or changes in circumstances have occurred.

Deferred Income Taxes

We record deferred income tax assets and liabilities on our balance sheet related to events that impact our financial statements and tax returns in different periods. In order to compute these deferred tax balances, we first analyze the differences between the book basis and tax basis of our assets and liabilities (referred to as "temporary differences"). These temporary differences are then multiplied by current tax rates to arrive at the balances for the deferred income tax assets and liabilities. If deferred tax assets exceed deferred tax liabilities, we must estimate whether those net deferred asset amounts will be realized in the future. A valuation allowance is then provided for the net deferred asset amounts that are not likely to be realized.

The change in our net deferred income tax balances during a period results in a deferred income tax provision or benefit in our statement of operations. If our expectations about the future tax consequences of past events should prove to be inaccurate, the balances of our deferred income tax assets and liabilities could require significant adjustments in future periods. Such adjustments could cause a material effect on our results of operations for the period of the adjustment.

Results of Operations

Our primary sources of revenues are from:

(1) renting antenna space on towers and rooftops sites,

(2) providing analog and digital broadcast transmission services, and

(3) providing network services, including the installation of antennas on our sites as well as third party sites.

Site rental revenues in the U.S. are received primarily from wireless communications companies, including those operating in the following categories of wireless communications:

- cellular;
- personal communications services, a digital service operating at a higher frequency range than cellular;
- microwave;
- paging;
- specialized mobile radio, a service operating in the frequency range used for two-way radio communication by public safety, trucking companies, and other dispatch service users; and
- enhanced specialized mobile radio, a service operating in the SMR frequency range using enhanced technology.

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).

Broadcast transmission services revenues in the U.K. 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 ITVdigital (formerly 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. On March 27, 2002, a U.K. court approved an application by ITVdigital to be placed into administration (a proceeding, similar to a Chapter 11 bankruptcy proceeding in the United States, designed to protect the applicant from the claims of its creditors while it reorganizes its business). There can be no assurances as to the outcome of this action or its effect on us. ITVdigital accounted for approximately $30.7 million, or 3.4%, of our revenues for the twelve-month period ended December 31, 2001. The loss of ITVdigital as a customer or the modification of the ITVdigital transmission contract could have an adverse effect on our results of operations. See "Item 1. Business--U.K. Operations--Significant Contracts".

Site rental revenues in the U.K. are received from other broadcast transmission service providers (primarily NTL) and wireless communications companies, including all four U.K. cellular operators (BT Cellnet, Vodafone, One 2 One and Orange). Site rental revenues are generally recognized on a monthly basis under lease agreements with original terms of three to 12 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 CCUK's total U.K. revenue base, and 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.

Network services revenues in the U.S. consist of revenues from:

(1) antenna installation,

(2) site acquisition,

(3) site development and construction,

(4) network design and site selection, and

(5) other services.

Network services revenues are received primarily from wireless communications companies. Network services revenues in the U.S. are recognized under service contracts which provide for billings on either a fixed price basis or a time and materials basis. Demand for our network services fluctuates from period to period and within periods. See "Item 1. Business--Risk Factors--Variability in Demand for Network Services May Reduce the Predictability of Our Results". Consequently, the operating results of our network services businesses for any particular period may vary significantly, and should not be considered as indicative of longer-term results. We also derive revenues from the ownership and operation of microwave radio and specialized mobile radio networks in Puerto Rico where we own radio wave spectrum in the 2,000 MHz and 6,000 MHz range (for microwave radio) and the 800 MHz range (for specialized mobile radio). These revenues are generally recognized under monthly management or service agreements.

Network services revenues in the U.K. consist of (1) network design and site selection, site acquisition, site development and antenna installation and (2) site management and other services. Network design and development and related 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) Hutchison as part of their deployment of 3G sevices in the U.K.

These services are often subject to a competitive bid, and a significant proportion result from an operator coming onto an existing CCUK 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. CCUK receives revenues for such services under contracts with original terms of between three and five years. Such contracts provide fixed prices for network monitoring and variable pricing dependent on the level of equipment maintenance carried out in a given period.

Costs of operations for site rental in the U.S. primarily consist of:

- land leases;
- repairs and maintenance;
- employee compensation and related benefits costs;
- utilities;
- insurance;
- property taxes;
- monitoring costs; and
- in the case of our few 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 sites increase as additional customer antennas are added, resulting in higher incremental revenues but lower incremental margins than on owned towers.

Costs of operations for broadcast transmission services in the U.K. 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 in the U.K. consist primarily of employee compensation and related benefits costs, utilities and repairs, maintenance and leases of land or rooftop sites. With the exception of land and rooftop leases, 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. Generally, leases of land and rooftop sites have a revenue sharing component that averages 20% to 30% of additional revenues added from subsequent tenants.

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. We incur these network services costs (1) to support our internal operations, including maintenance of our 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. We believe that our experienced staff enables us to provide the type of end-to-end services that enhance our ability to attract wireless service providers to our sites.

General and administrative expenses consist primarily of:

- employee compensation, training, recruitment 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 and external professional fees;
- benefits; and
- overhead costs that are not directly related to the administration or management of existing towers.

Depreciation and amortization charges relate to our property and equipment (which consists primarily of towers, broadcast transmission equipment, associated buildings, construction equipment and vehicles), goodwill and other intangible assets recorded in connection with business acquisitions. Depreciation of towers, depreciation of broadcast transmission equipment 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 Communication) is computed with a useful life of 10 years. Depreciation of buildings is computed with useful lives ranging from 20 to 50 years. Depreciation of construction equipment and vehicles is generally computed with useful lives of 10 years and 5 years, respectively.

In March 1999, we completed the formation of Crown Atlantic, our joint venture with Bell Atlantic Mobile. In June and December of 1999, we completed the acquisition of towers from Powertel. During 1999, 2000 and 2001 we completed the transactions with BellSouth and BellSouth DCS. In 2000, we completed the transaction with GTE. Additionally, during 2000 Crown Atlantic acquired the Frontier towers from Bell Atlantic Mobile, and CCAL completed the substantial portion of the transaction with Cable & Wireless Optus. Results of operations of these acquired businesses and towers are included in our consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, our results of operations for the year ended December 31, 2001 are not comparable to the year ended December 31, 2000, and the results for the year ended December 31, 2000 are not comparable to the year ended December 31, 1999.

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

	Year Ended December 31, 1999		Year Ended December 31, 2000		Year Ended December 31, 2001	
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission..........	$267,894	77.5%	$ 446,039	68.7%	$ 575,961	64.1%
Network services and other.................	77,865	22.5	203,126	31.3	322,990	35.9
Total net revenues..........	345,759	100.0	649,165	100.0	898,951	100.0
Operating expenses:						
Costs of operations:						
Site rental and broadcast transmission........	114,436	42.7	194,424	43.6	238,748	41.5
Network services and other..............	42,312	54.3	120,176	59.2	228,485	70.7
Total costs of operations........	156,748	45.4	314,600	48.5	467,233	52.0
General and administrative........	43,823	12.7	76,944	11.8	102,539	11.4
Corporate development...........	5,403	1.6	10,489	1.6	12,337	1.4
Restructuring charges..............	5,645	1.6	--	--	19,416	2.1
Asset write-down charges..............	--	--	--	--	24,922	2.8
Non-cash general and administrative compensation charges..............	2,173	0.6	3,127	0.5	6,112	0.7
Depreciation and amortization..........	130,106	37.6	238,796	36.8	328,491	36.5
Operating income (loss)................	1,861	0.5	5,209	0.8	(62,099)	(6.9)
Other income (expense):						
Interest and other income (expense)......	17,731	5.1	33,761	5.2	8,548	1.0
Interest expense and amortization of deferred financing costs.......	(110,908)	(32.0)	(241,294)	(37.2)	(297,444)	(33.1)
Loss before income taxes, minority interests, extraordinary item and cumulative effect of change in accounting principle.............	(91,316)	(26.4)	(202,324)	(31.2)	(350,995)	(39.0)
Provision for income taxes..................	(275)	(0.1)	(246)	--	(16,478)	(1.8)
Minority interests......	(2,756)	(0.8)	(721)	(0.1)	1,306	0.1
Loss before extraordinary item and cumulative effect of change in accounting principle.............	(94,347)	(27.3)	(203,291)	(31.3)	(366,167)	(40.7)
Extraordinary item--loss on early extinguishment of debt................	--	--	(1,495)	(0.2)	--	--
Cumulative effect of change in accounting principle for costs of start-up activities....	(2,414)	(0.7)	--	--	--	--
Net loss................	$(96,761)	(28.0)%	$(204,786)	(31.5)%	$(366,167)	(40.7)%

Comparison of Years Ended December 31, 2001 and 2000

Consolidated revenues for 2001 were $899.0 million, an increase of $249.8 million from 2000. This increase was primarily attributable to:

(1) a $129.9 million, or 29.1%, increase in site rental and broadcast transmission revenues, of which $13.3 million was attributable to CCUK, $18.4 million was attributable to Crown Atlantic, $11.5 million was attributable to CCAL and $86.6 million was attributable to CCUSA,

(2) a $108.0 million increase in network services and other revenues from CCUSA,

(3) a $6.7 million increase in network services and other revenues from CCUK,

(4) a $3.5 million increase in network services and other revenues from Crown Atlantic, and

(5) $1.6 million in network services and other revenues from CCAL.

The following is a summary of tenant leasing activity on our tower sites for the year ended December 31, 2001:

New tenants added on existing, newly constructed and acquired tower sites, net:	
CCUSA	3,772
Crown Atlantic	710
CCUK	2,887
CCAL	1,448
	8,817
Average monthly lease rate per new tenant added on existing tower sites:	
CCUSA and Crown Atlantic	$1,481
CCUK	779
CCAL	607

The increases in site rental and broadcast transmission revenues reflect the new tenant additions on our tower sites. The increases in network services and other revenues reflect continued demand for antenna installation from our tenants along with increased third party service work.

Costs of operations for 2001 were $467.2 million, an increase of $152.6 million from 2000. This increase was primarily attributable to:

(1) a $44.3 million increase in site rental and broadcast transmission costs, of which $8.7 million was attributable to CCUK, $5.7 million was attributable to Crown Atlantic, $3.6 million was attributable to CCAL and $26.3 million was attributable to CCUSA,

(2) a $94.4 million increase in network services costs related to CCUSA,

(3) a $9.2 million increase in network services costs from CCUK,

(4) a $3.8 million increase in network services costs from Crown Atlantic, and

(5) $1.0 million in network services costs from CCAL.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues decreased to 41.5% for 2001 from 43.6% for 2000 because of higher margins attributable to incremental revenues from the Crown Atlantic, CCAL and CCUSA operations. Costs of operations for network services and other as a percentage of network services and other revenues increased to 70.7% for 2001 from 59.2% for 2000 because of lower margins from the CCUSA, CCUK and Crown Atlantic operations. Network services revenues for 2001 included a greater proportion of third party service work than in 2000, and third party services typically produce lower margins than tenant antenna installation services.

General and administrative expenses for 2001 were $102.5 million, an increase of $25.6 million from 2000. This increase was primarily attributable to:

(1) an $11.4 million increase in expenses related to the CCUSA operations,

(2) a $9.4 million increase in expenses at our corporate office,

(3) a $3.3 million increase in expenses at CCUK, and

(4) a $1.8 million increase in expenses at CCAL, partially offset by

(5) a $0.3 million decrease in expenses at Crown Atlantic.

The increases in general and administrative expenses resulted primarily from higher staffing levels to support the growth of our business. General and administrative expenses as a percentage of revenues decreased for 2001 to 11.4% from 11.8% for 2000 because of lower overhead costs as a percentage of revenues for CCUSA, CCAL and Crown Atlantic.

Corporate development expenses for 2001 were $12.3 million, compared to $10.5 million for 2000. This increase was primarily attributable to an increase in expenses at our corporate office.

For 2001, we recorded non-recurring cash charges of $19.4 million in connection with a restructuring of our business announced in July 2001. Such charges related to employee severance payments and costs of office closures. In addition, we announced in March 2002 that we plan to record a non-recurring restructuring charge estimated to be between approximately $7.0 million and $13.0 million with respect to staff redundancies and the disposition of certain service lines in connection with our U.K. operations. We expect the charge to be reflected in our results of operations for 2002. See "--Restructuring Charges and Asset Write-Down Charges".

For 2001, we recorded asset write-down charges of $24.9 million in connection with the restructuring of our business announced in July 2001. Such non-cash charges related to write-downs of certain inventories, property and equipment, and other assets. We are also undertaking a review of our construction in process, which may result in certain open projects being abandoned in 2002. A non-cash charge will be recorded in 2002 for the write-down of such abandoned projects. The total amount of construction in process being reviewed is approximately $38 million. See "--Restructuring Charges and Asset Write-Down Charges".

For 2001, we recorded non-cash general and administrative compensation charges of $6.1 million related to the issuance of stock and stock options to certain employees and executives, compared to $3.1 million for 2000. See "--Compensation Charges Related to Stock Option Grants and Acquisitions".

Depreciation and amortization for 2001 was $328.5 million, an increase of $89.7 million from 2000. This increase was primarily attributable to:

(1) a $16.3 million increase in depreciation and amortization related to the property and equipment and goodwill from CCUK,

(2) a $10.9 million increase in depreciation and amortization related to the property and equipment and goodwill from Crown Atlantic,

(3) a $5.9 million increase in depreciation and amortization related to property and equipment from CCAL, and

(4) a $56.3 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets related to the CCUSA operations.

Interest and other income (expense) for 2001 resulted primarily from:

(1) the investment of the net proceeds from our recent offerings (see "--Liquidity and Capital Resources"), offset by

(2) costs incurred in connection with unsuccessful acquisition attempts and

(3) our share of losses incurred by unconsolidated affiliates.

Interest expense and amortization of deferred financing costs for 2001 was $297.4 million, an increase of $56.2 million, or 23.3%, from 2000. This increase was primarily attributable to interest on indebtedness at CCUSA, CCUK and Crown Atlantic, and interest on the 10 3/4% senior notes and the 9 3/8% senior notes.See "--Liquidity and Capital Resources".

The provision for income taxes of $16.5 million for 2001 consists primarily of a non-cash deferred tax liability recognized by CCUK. CCUK's deferred tax liability resulted from an excess of basis differences for its property and equipment over its available tax net operating losses.

Minority interests represent the minority partner's 43.1% interest in Crown Atlantic's operations, the minority partner's 17.8% interest in the operations of the GTE joint venture and the minority shareholder's 22.4% interest in the CCAL operations.

Comparison of Years Ended December 31, 2000 and 1999

Consolidated revenues for 2000 were $649.2 million, an increase of $303.4 million from 1999. This increase was primarily attributable to:

(1) a $178.1 million, or 66.5%, increase in site rental and broadcast transmission revenues, of which $20.2 million was attributable to CCUK, $25.9 million was attributable to Crown Atlantic, $6.8 million was attributable to CCAL and $125.2 million was attributable to CCUSA,

(2) a $101.3 million increase in network services and other revenues from CCUSA,

(3) a $3.8 million increase in network services and other revenues from CCUK, and

(4) a $21.7 million increase in network services and other revenues from Crown Atlantic.

Costs of operations for 2000 were $314.6 million, an increase of $157.9 million from 1999. This increase was primarily attributable to:

(1) an $80.0 million increase in site rental and broadcast transmission costs, of which $10.4 million was attributable to CCUK, $9.9 million was attributable to Crown Atlantic, $3.6 million was attributable to CCAL and $56.1 million was attributable to CCUSA,

(2) a $62.1 million increase in network services costs related to CCUSA,

(3) a $3.0 million increase in network services costs from CCUK, and

(4) a $13.8 million increase in network services costs from Crown Atlantic.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues increased to 43.6% for 2000 from 42.7% for 1999 because of lower margins attributable to the CCUK, CCAL and CCUSA operations. Costs of operations for network services and other as a percentage of network services and other revenues increased to 59.2% for 2000 from 54.3% for 1999, primarily due to lower margins from the CCUSA, CCUK and Crown Atlantic operations.

General and administrative expenses for 2000 were $76.9 million, an increase of $33.1 million from 1999. This increase was primarily attributable to:

(1) a $21.7 million increase in expenses related to the CCUSA operations,

(2) a $1.2 million increase in expenses at our corporate office,

(3) a $3.3 million increase in expenses at Crown Atlantic,

(4) a $2.4 million increase in expenses at CCUK, and

(5) $4.4 million in expenses at CCAL.

General and administrative expenses as a percentage of revenues decreased for 2000 to 11.8% from 12.7% for 1999 because of lower overhead costs as a percentage of revenues for CCUSA and Crown Atlantic.

Corporate development expenses for 2000 were $10.5 million, compared to $5.4 million for 1999. This increase was primarily attributable to an increase in expenses at our corporate office.

For 2000, we recorded non-cash general and administrative compensation charges of $3.1 million related to the issuance of stock and stock options to certain employees and executives, compared to $2.2 million for 1999. See "--Compensation Charges Related to Stock Option Grants and Acquisitions".

Depreciation and amortization for 2000 was $238.8 million, an increase of $108.7 million from 1999. This increase was primarily attributable to:

(1) a $13.6 million increase in depreciation and amortization related to the property and equipment and goodwill from CCUK,

(2) a $9.2 million increase in depreciation and amortization related to the property and equipment and goodwill from Crown Atlantic,

(3) $5.2 million of depreciation and amortization related to property and equipment from CCAL, and

(4) an $80.5 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets related to the CCUSA operations.

Interest and other income (expense) for 2000 resulted primarily from:

(1) the investment of the net proceeds from our recent offerings (see "--Liquidity and Capital Resources") and

(2) a gain recognized upon the disposition of an investment in an affiliate, partially offset by

(3) costs incurred in connection with unsuccessful acquisition attempts.

Interest expense and amortization of deferred financing costs for 2000 was $241.3 million, an increase of $130.4 million, or 117.6%, from 1999. This increase was primarily attributable to interest on indebtedness at CCUSA, CCUK and Crown Atlantic, amortization of the original issue discount on the 10 3/8% discount notes and the 11 1/4% discount notes, interest on the 9% senior notes, the 9 1/2% senior notes and the 10 3/4% senior notes, and the write-off of unamortized deferred financing costs related to the term loans. See "--Liquidity and Capital Resources".

Minority interests represent the minority shareholder's 20% interest in CCUK's operations (prior to July 2000), the minority partner's 43.1% interest in Crown Atlantic's operations, the minority partner's 18.0% interest in the operations of the GTE joint venture and the minority shareholder's 33.3% interest in the CCAL operations.

The extraordinary loss on early extinguishment of debt for 2000 represents the write-off of unamortized deferred financing costs related to the senior credit facility. See "--Liquidity and Capital Resources".

Liquidity and Capital Resources

Our business strategy contemplates substantial capital expenditures in connection with the expansion of our tower portfolios by pursuing build-to-suit opportunities in the markets in which we currently operate.

Since its inception, CCIC has generally funded its activities, other than acquisitions and investments, through excess proceeds from contributions of equity capital and cash provided by operations. CCIC has financed acquisitions and investments with the proceeds from equity contributions, borrowings under our senior credit facilities and issuances of debt securities. Since its inception, CCUK has generally funded its activities, other than the acquisition of the BBC home service transmission business, through cash provided by operations and borrowings under CCUK's credit facility. CCUK financed the acquisition of the BBC home service transmission business with the proceeds from equity contributions and the issuance of the CCUK bonds.

For the years ended December 31, 1999, 2000 and 2001, our net cash provided by operating activities was $92.6 million, $165.5 million and $131.9 million, respectively. For the years ended December 31, 1999, 2000 and 2001, our net cash provided by financing activities was $1,670.4 million, $1,707.1 million and $1,109.3 million, respectively. Our primary financing-related activities in 2001 included the following:

January 2001 Offering

In January 2001, we sold 13,445,200 shares of our common stock in an underwritten public offering. The shares were sold to the public at a price of $26.25 per share and we received proceeds of $342.9 million (after underwriting discounts of $10.1 million). The proceeds from this offering will be used for general corporate purposes.

Crown Atlantic Credit Facility

In March 2001, the Crown Atlantic credit facility was amended to increase the available borrowings to $345.0 million. Under the amended facility, the amount of available borrowings will begin to decrease on March 31, 2003.

May 2001 Debt Offering

On May 10, 2001, we issued $450.0 million aggregate principal amount of our 9 3/8% senior notes for proceeds of $441.0 million (after underwriting discounts of $9.0 million). The proceeds from the sale of these securities will be used to fund the initial interest payments on the 9 3/8% senior notes and for general corporate purposes.

Capital expenditures were $683.1 million for the year ended December 31, 2001, of which $3.8 million were for CCIC, $363.8 million were for CCUSA, $94.2 million were for Crown Atlantic, $219.0 million were for CCUK and $2.3 million were for CCAL. We anticipate that we will build, through the end of 2002, approximately 450 to 550 towers in the United States at a cost of approximately $135 million and approximately 450 to 550 towers in the United Kingdom at a cost of approximately $50 million. In addition, we are obligated to pay a site access fee to British Telecom in the amount of (Pounds)100.0 million ($145.4 million). We are currently in discussions regarding the deferral of a portion of this payment, but there can be no assurance as to the outcome of these discussions. We also expect to spend approximately $125 million in the United States for tower improvements, including enhancements to the structural capacity of our domestic towers in order to support the anticipated leasing.

In April 2001, we entered into a Share Purchase Agreement for the acquisition of 49% of the outstanding capital stock of RaiWay S.p.A. ("RaiWay"). RaiWay is a subsidiary of RAI Radio Televisione Italiana S.p.A. ("RAI"), the Italian state-owned television and radio broadcaster. RaiWay manages over 2,300 broadcast transmission sites across Italy. The cost of our investment in RaiWay amounted to approximately $383.8 million in cash, and such amount was deposited into a Euro-denominated escrow account upon execution of the Share Purchase Agreement. The transaction was subject to approval by the Italian regulatory authorities and, in October 2001, we were notified that the Italian Minister of Communication had declined to approve the transaction. Pursuant to the terms of the agreement, the escrow deposit was returned to us in November 2001.

We expect that the execution of our new tower build, or build-to-suit program, will have a material impact on our liquidity. We expect that once integrated, these new towers 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 towers become operational and we begin to add tenants, they should result in a long-term increase in liquidity.

To fund the execution of our business strategy, including the construction of new towers, we expect to use the net proceeds of our recent offerings and cash provided by operations. We do not currently expect to utilize further borrowings available under our U.S. and U.K. credit facilities in any significant amounts. We will have additional cash needs to fund our operations in the future. We may also have additional cash needs in the future if additional tower acquisitions or build-to-suit opportunities arise. If we do not otherwise have cash available, or borrowings under our credit facilities have otherwise been utilized, when our cash need 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.

As of December 31, 2001, we had consolidated cash and cash equivalents of $804.6 million (including $5.9 million at CCUSA, $169.0 million at CCUK, $13.1 million at Crown Atlantic, $15.0 million at CCAL, $389.5 million in an unrestricted investment subsidiary and $212.1 million at CCIC and a restricted investment subsidiary), consolidated liquid investments (consisting of marketable securities) of $201.5 million, consolidated long-term debt of $3,423.1 million, consolidated redeemable preferred stock of $878.9 million and consolidated stockholders' equity of $2,364.6 million.

As of March 15, 2002, Crown Atlantic had unused borrowing availability under its amended credit facility of approximately $45.0 million, and CCUK had unused borrowing availability under its credit facility of approximately (Pounds)30.0 million ($43.6 million). As of March 15, 2002, our restricted U.S. and Australian subsidiaries had approximately $500.0 million of unused borrowing availability under the 2000 credit facility. Our various credit facilities require our subsidiaries to maintain certain financial covenants and place restrictions on the ability of our 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.

The primary factors that determine our subsidiaries' ability to comply with their debt covenants are (1) their current financial performance (based on earnings before interest, taxes, depreciation and amortization, or "EBITDA"), (2) their levels of indebtedness and (3) their debt service requirements. Since we do not currently expect that our subsidiaries will need to utilize significant additional borrowings under their credit facilities, the primary risk of a debt covenant violation would result from a deterioration of a subsidiary's EBITDA performance. In addition, certain of the credit facilities will require that EBITDA increase in future years as covenant calculations become more restrictive. Should a covenant violation occur in the future as a result of a shortfall in EBITDA performance (or for any other reason), we might be required to make principal payments earlier than currently scheduled and may not have access to additional borrowings under these facilities as long as the covenant violation continues. Any such early principal payments would have to be made from our existing cash balances.

If we are unable to refinance our subsidiary debt or renegotiate the terms of such debt, we may not be able to meet our debt service requirements, including interest payments on the notes, in the future. Our 9% senior notes, our 9 1/2% senior notes, our 10 3/4% senior notes and our 9 3/8% senior notes require annual cash interest payments of approximately $16.2 million, $11.9 million, $53.8 million and $42.2 million, respectively. Prior to November 15, 2002, May 15, 2004 and August 1, 2004, the interest expense on our 10 5/8% discount notes, our 10 3/8% discount notes and our 11 1/4% discount notes, respectively, will be comprised solely of the amortization of original issue discount. Thereafter, the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes will require annual cash interest payments of approximately $26.7 million, $51.9 million and $29.3 million, respectively. Prior to December 15, 2003, we do not expect to pay cash dividends on our 12 3/4% 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 CCUK bonds are (Pounds)11.25 million ($16.4 million). In addition, our various credit facilities will require periodic interest payments on amounts borrowed thereunder, which amounts could be substantial.

As a holding company, CCIC will require distributions or dividends from its subsidiaries, or will be forced to use capital raised in debt and equity offerings, to fund its debt obligations, including interest payments on the cash-pay notes and eventually the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes. The terms of the indebtedness of our subsidiaries significantly limit their ability to distribute cash to CCIC. As a result, we will be required to apply a portion of the net proceeds from the recent debt offerings to fund interest payments on the cash-pay notes. If we do not retain sufficient funds from the offerings or any future financing, we may not be able to make our interest payments on the cash-pay notes.

The following table summarizes our contractual cash obligations as of December 31, 2001:

	Years Ending December 31,						
	2002	2003	2004	2005	2006	Thereafter	Totals
	(in thousands of dollars)						
Long-term debt..........	$ 29,086	$ 43,336	$134,711	$200,336	$282,081	$2,930,288	$3,619,838
Interest payments on long-term debt (a).....	197,373	222,347	242,098	289,116	275,923	1,058,880	2,285,737
Capital lease obligations............	4,139	2,587	1,173	25	26	15	7,965
Operating lease obligations............	118,372	103,836	95,364	87,091	76,078	393,372	874,113
Site access fee to British Telecom, secured by letter of credit(b)..............	145,430	--	--	--	--	--	145,430
Redeemable preferred stock..................	--	--	--	--	--	977,103	977,103
Dividend payments on exchangeable preferred stock..................	--	--	47,762	47,762	47,762	191,048	334,334
	$494,400	$372,106	$521,108	$624,330	$681,870	$5,550,706	$8,244,520

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(a) Interest payments on floating rate debt are estimated based on rates in effect during the first quarter of 2002.

(b) We are currently in discussions regarding the deferral of a portion of this payment. There can be no assurances as to the outcome of these discussions.

Our joint venture agreements with Bell Atlantic Mobile and GTE (both now part of Verizon Communications) provide that, upon dissolution of either venture, Verizon Communications will receive (1) the shares of our common stock contributed to the venture and (2) a payment equal to a percentage of the fair market value (at the dissolution date) of the venture's other net assets. As of December 31, 2001, such percentages would be approximately 24.1% for the Bell Atlantic Mobile venture and 11.0% for the GTE venture. The 24.1% payment for the Bell Atlantic Mobile venture could be paid either in cash or shares of our common stock, at our election. The 11.0% payment for the GTE venture could only be paid in cash. A dissolution of either venture may be triggered (1) by Verizon Communications at any time following the third anniversary of the formation of the applicable venture and (2) by us at any time following the fourth anniversary of such venture's formation (subject to certain penalties if prior to the seventh anniversary). Our joint venture with Bell Atlantic Mobile was formed on March 31, 1999, and our joint venture with GTE was formed on January 31, 2000. See "Item 1. Business--The Company--Overview".

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, 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. In addition, our ability to refinance any indebtedness in the future would depend in part on our maintaining adequate credit ratings from the commercial rating agencies. Such credit ratings are dependent on all the liquidity and performance factors discussed above, as well as general expectations that the rating agencies have regarding the outlook for our business and our industry. We anticipate that we may need to refinance a substantial portion of our indebtedness 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 "Item 1. Business--Risk Factors".

Reporting Requirements Under the Indentures Governing the Company's Debt Securities (the "Indentures") and the Certificate of Designations Governing the Company's 12 3/4% Senior Exchangeable Preferred Stock (the "Certificate")

The following information (as such capitalized terms are defined in the Indentures and the Certificate) is presented solely as a requirement of the Indentures and the Certificate; 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, our measure of the following information may not be comparable to similarly titled measures of other companies.

We have designated CCUK, Crown Atlantic and certain investment subsidiaries as Unrestricted Subsidiaries. Summarized financial information for (1) CCIC and our Restricted Subsidiaries and (2) our Unrestricted Subsidiaries is as follows:

	December 31, 2001			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 233,027	$ 571,575	$ --	$ 804,602
Other current assets	291,976	119,483	--	411,459
Property and equipment, net	3,354,557	1,490,355	--	4,844,912
Investments	128,500	--	--	128,500
Investments in Unrestricted Subsidiaries	2,079,694	--	(2,079,694)	--
Goodwill and other intangible assets, net	178,540	872,891	--	1,051,431
Other assets, net	117,277	17,277	--	134,554
	$6,383,571	$3,071,581	$(2,079,694)	$7,375,458
Current liabilities	$ 239,039	$ 172,414	$ --	$ 411,453
Long-term debt, less current maturities	2,773,646	620,365	--	3,394,011
Other liabilities	34,564	122,985	--	157,549
Minority interests	92,813	76,123	--	168,936
Redeemable preferred stock	878,861	--	--	878,861
Stockholders' equity	2,364,648	2,079,694	(2,079,694)	2,364,648
	$6,383,571	$3,071,581	$(2,079,694)	$7,375,458

	Three Months Ended December 31, 2001			Year Ended December 31, 2001		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$142,934	$ 95,252	$ 238,186	$ 543,777	$355,174	$ 898,951
Costs of operations (exclusive of depreciation and amortization)	74,535	47,300	121,835	288,705	178,528	467,233
General and administrative	20,958	3,763	24,721	83,005	19,534	102,539
Corporate development	1,945	502	2,447	10,502	1,835	12,337
Restructuring charges	164	--	164	16,608	2,808	19,416
Asset write-down charges	799	8,113	8,912	12,257	12,665	24,922
Non-cash general and administrative compensation charges	872	516	1,388	3,488	2,624	6,112
Depreciation and amortization	61,522	39,597	101,119	190,761	137,730	328,491
Operating income (loss)	(17,861)	(4,539)	(22,400)	(61,549)	(550)	(62,099)
Interest and other income (expense)	(5,726)	8,100	2,374	(2,333)	10,881	8,548
Interest expense and amortization of deferred financing costs	(67,454)	(11,069)	(78,523)	(250,115)	(47,329)	(297,444)
Provision for income taxes	(465)	(4,226)	(4,691)	(465)	(16,013)	(16,478)
Minority interests	430	(239)	191	2,833	(1,527)	1,306
Net loss	$(91,076)	$(11,973)	$(103,049)	$(311,629)	$(54,538)	$(366,167)

Tower Cash Flow and Adjusted Consolidated Cash Flow for CCIC and our Restricted Subsidiaries is as follows under (1) the indenture governing the 10 5/8% Discount Notes and the Certificate (the "1997 and 1998 Securities") and (2) the indentures governing the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes, the 9 1/2% Senior Notes, the 10 3/4% Senior Notes and the 9 3/8% Senior Notes (the "1999, 2000 and 2001 Securities"):

	1997 and 1998 Securities	1999, 2000 and 2001 Securities
	(In thousands of dollars)	
Tower Cash Flow, for the three months ended December 31, 2001	$ 44,603	$ 44,603
Consolidated Cash Flow, for the twelve months ended December 31, 2001	$ 161,565	$ 172,067
Less: Tower Cash Flow, for the twelve months ended December 31, 2001	(152,188)	(152,188)
Plus: four times Tower Cash Flow, for the three months ended December 31, 2001	178,412	178,412
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 2001	$ 187,789	$ 198,291

Related Party Transactions

For the years ended December 31, 1999, 2000 and 2001, the Bell Atlantic Mobile joint venture had revenues from Verizon Communications of $29.1 million, $44.1 million and $44.0 million, respectively. For the years ended December 31, 2000 and 2001, the GTE joint venture had revenues from Verizon Communications of $46.2 million and $61.8 million, respectively. Verizon Communications is our joint venture partner in both of these ventures.

Restructuring Charges and Asset Write-Down Charges

In July 2001, we announced a restructuring of our business in order to increase operational efficiency and better align costs with anticipated revenues. As part of the restructuring, we reduced our global staff by approximately 312 full-time employees, closed five offices in the United States and closed our development offices in Brazil and Europe. The actions taken for the restructuring were substantially completed as of the end of 2001. In connection with the restructuring, we recorded non-recurring cash charges of approximately $19.4 million during 2001 related to employee severance payments and costs of office closures.

We have recorded asset write-down charges of $24.9 million during 2001 in connection with the restructuring of our business announced in July 2001. Such non-cash charges related to the write-down of certain inventories, property and equipment, and other assets.

In March 2002, we announced that we plan to record a non-recurring restructuring charge estimated to be between approximately $7.0 million and $13.0 million with respect to staff redundancies and the disposition of certain service lines in connection with our U.K. operations. We expect the charge to be reflected in our results of operations for 2002. We are also undertaking a review of our construction in process, which may result in certain open projects being abandoned in 2002. A non-cash charge will be recorded in 2002 for the write-down of such abandoned projects. The total amount of construction in process being reviewed is approximately $38 million.

Compensation Charges Related to Stock Option Grants and Acquisitions

We are recognizing non-cash general and administrative compensation charges related to certain stock options granted to employees and executives prior to our IPO. Such charges amount to approximately $1.4 million per year, and will be recognized through the second quarter of 2003.

In July 2000, we issued (1) 199,473 shares of our common stock and (2) options to purchase 17,577 shares of our common stock with an exercise price of $.01 per share in connection with an acquisition by CCUK. Such shares and options were deemed to be compensation to the former shareholders of the acquired company (who remained employed by the Company). As a result, CCUK will recognize non-cash general and administrative compensation charges of approximately $8.4 million over five years.

In September 2000, we issued 336,600 shares of our common stock in connection with an acquisition by CCUSA. Of such shares, 170,710 were deemed to be compensation to the former shareholders of the acquired company (who remained employed by the Company). As a result, CCUSA will recognize non-cash general and administrative compensation charges of approximately $5.9 million over four years.

Impact of Recently Issued Accounting Standards

In July 2001, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"), and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142"). SFAS 141 prohibits the use of the pooling-of-interests method of accounting for business combinations, and requires that the purchase method be used for all business combinations after June 30, 2001. SFAS 141 also changes the manner in which acquired intangible assets are identified and recognized apart from goodwill. Further, SFAS 141 requires additional disclosures regarding the reasons for business combinations, the allocation of the purchase price to recognized assets and liabilities and the recognition of goodwill and other intangible assets. We have used the purchase method of accounting since our inception, so the adoption of SFAS 141 will not change our method of accounting for business combinations. We will adopt the other recognition and disclosure requirements of SFAS 141 for any future business combinations. The transition provisions of SFAS 141 require that the carrying amounts for goodwill and other intangible assets acquired in prior purchase method business combinations be reviewed and reclassified in accordance with the new recognition rules; such reclassifications are to be made in conjunction with the adoption of SFAS 142. We will apply these transition provisions of SFAS 141 as of January 1, 2002, and do not believe that they will have any effect on our consolidated financial statements.

SFAS 142 changes the accounting and disclosure requirements for acquired goodwill and other intangible assets. The most significant provision of SFAS 142 is that goodwill and other intangible assets with indefinite useful lives will no longer be amortized, but rather will be tested for impairment on an annual basis. This annual impairment test will involve (1) a step to identify potential impairment at a reporting unit level based on fair values, and (2) a step to measure the amount of the impairment, if any. Intangible assets with finite useful lives will continue to be amortized over such lives, and tested for impairment in accordance with our existing policies. SFAS 142 requires disclosures about goodwill and other intangible assets in the periods subsequent to their acquisition, including (1) changes in the carrying amount of goodwill, in total and by operating segment, (2) the carrying amounts of intangible assets subject to amortization and those which are not subject to amortization, (3) information about impairment losses recognized, and (4) the estimated amount of intangible asset amortization expense for the next five years. The provisions of SFAS 142 are effective for fiscal years beginning after December 15, 2001. We will adopt the requirements of SFAS 142 as of January 1, 2002. In addition, the nonamortization provisions of SFAS 142 are to be immediately applied for goodwill and other intangible assets acquired in business combinations subsequent to June 30, 2001. SFAS 142 requires that transitional impairment tests be performed at its adoption, and provides that resulting impairment losses for goodwill and other intangible assets be reported as the effect of a change in accounting principle. We have not yet completed our transitional impairment tests but, based on preliminary results of those tests, do not currently believe that an impairment loss for goodwill and other intangible assets will be recorded upon the adoption of SFAS 142. We expect that our depreciation and amortization expense will decrease by approximately $62.1 million per year as a result of the adoption of SFAS 142.

In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"). SFAS 144 supersedes 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"), but retains many of its fundamental provisions. SFAS 144 also clarifies certain measurement and classification issues from SFAS 121. In addition, SFAS 144 supersedes the accounting and reporting provisions for the disposal of a business segment as found in Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions ("APB 30"). However, SFAS 144 retains the requirement in APB 30 to separately report discontinued operations, and broadens the scope of such requirement to include more types of disposal transactions. The scope of SFAS 144 excludes goodwill and other intangible assets that are not to be amortized, as the accounting for such items is prescribed by SFAS 142. The provisions of SFAS 144 are effective for fiscal years beginning after December 15, 2001, and are to be applied prospectively. We will adopt the requirements of SFAS 144 as of January 1, 2002.

Cautionary Statement for Purposes of Forward-Looking Statements

Certain information contained in this Annual Report on Form 10-K (including statements contained in "Item 1. Business", "Item 3. Legal Proceedings" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"), as well as other written and oral statements made or incorporated by reference from time to time by the Company and its representatives in other reports, filings with the Securities and Exchange Commission, press releases, conferences, conference calls, or otherwise, may be deemed to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and are subject to the "Safe Harbor" provisions of that section. This information includes, without limitation, statements concerning future results of operations, future revenues, future costs and expenses and future margins; anticipated timing of capital expenditures made by wireless carriers and broadcasters; further applications and revenue sources for the Company's properties and acquisitions; anticipated releases and technological advances; the effects of and expected benefits from acquisitions and strategic alliances; the effect of changes in accounting standards on our results of operations and financial condition; the effect of the Euro's introduction; the inherent unpredictability of adversarial proceedings and other contingent liabilities; future capital expenditures and future financial condition; future wireless and broadcast industry conditions; and world economic conditions. These statements are based on current expectations and involve a number of risks and uncertainties, including those set forth below and elsewhere in this Annual Report on Form 10-K. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove correct.

When used in this report, the words "anticipate," "estimate," "expect," "may," "project" and similar expressions are intended to be among the statements that identify forward-looking statements. Important factors which could affect actual results and cause actual results to differ materially from those results which might be projected, forecast, estimated or budgeted in such forward-looking statements include, but are not limited to the factors set forth in "--Overview" above and "Item 1. Business--Risk Factors."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a result of our international operating, investing and financing activities, we are exposed to market risks, which include changes in foreign currency exchange rates and interest rates which may adversely affect our results of operations and financial position. In attempting to minimize the risks and/or costs associated with such activities, we seek to manage exposure to changes in interest rates and foreign currency exchange rates where economically prudent to do so.

Certain of the financial instruments we have used to obtain capital are subject to market risks from fluctuations in market interest rates. The majority of our financial instruments, however, are long-term fixed interest rate notes and debentures. A fluctuation in market interest rates of one percentage point in 2002 would impact our interest expense by approximately $10.2 million. As of December 31, 2001, we have approximately $1,172.1 million of floating rate indebtedness, of which approximately $150.0 million has been effectively converted to fixed rate indebtedness through the use of interest rate swap agreements.

The majority of our foreign currency transactions are denominated in the British pound sterling or the Australian dollar, which are the functional currencies of CCUK and CCAL, respectively. As a result of CCUK's and CCAL's transactions being denominated and settled in such functional currencies, the risks associated with currency fluctuations are generally limited to foreign currency translation adjustments. We do not currently hedge against foreign currency translation risks and believe that foreign currency exchange risk is not significant to our operations.

As discussed in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources", we had deposited approximately $383.8 million in cash into a Euro-denominated escrow account in connection with the RaiWay transaction. At the time of the deposit, the funds were exchanged at an average rate of Euro 1.00 = $0.8984. Since approval of the transaction was not received from the Italian regulatory authorities, the escrow deposit was returned to us in November 2001. As a result, we recognized a foreign exchange gain in the fourth quarter of 2001 of approximately $0.3 million in our results of operations as other income (expense).

Item 8. Financial Statements and Supplementary Data

Crown Castle International Corp. and Subsidiaries
Index to Consolidated Financial Statements

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, 2000 and 2001, and the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' equity for each of the years in the three-year period ended December 31, 2001. 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 auditing standards generally accepted in the United States of America. 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, 2000 and 2001, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for derivative instruments and hedging activities in 2001.

KPMG LLP

Houston, Texas
February 28, 2002

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands of dollars, except share amounts)

	December 31, 2000	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 453,833	$ 804,602
Receivables:		
Trade, net of allowance for doubtful accounts of $18,722 and $24,785 at December 31, 2000 and 2001, respectively	168,184	188,496
Other	4,942	2,364
Short-term investments	38,000	72,963
Inventories	40,684	102,771
Prepaid expenses and other current assets	28,535	44,865
Total current assets	734,178	1,216,061
Property and equipment, net	4,303,037	4,844,912
Investments	137,000	128,500
Goodwill and other intangible assets, net of accumulated amortization of $101,085 and $163,934 at December 31, 2000 and 2001, respectively	1,112,876	1,051,431
Deferred financing costs and other assets, net of accumulated amortization of $10,733 and $21,376 at December 31, 2000 and 2001, respectively	114,794	134,554
	$6,401,885	$7,375,458
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 100,766	$ 104,149
Accrued interest	47,604	60,081
Accrued compensation and related benefits	11,901	13,553
Deferred rental revenues and other accrued liabilities	126,649	204,584
Long-term debt, current maturities	--	29,086
Total current liabilities	286,920	411,453
Long-term debt, less current maturities	2,602,687	3,394,011
Other liabilities	93,354	157,549
Total liabilities	2,982,961	3,963,013
Commitments and contingencies (Note 11)		
Minority interests	155,344	168,936
Redeemable preferred stock	842,718	878,861
Stockholders' equity:		
Common stock, $.01 par value; 690,000,000 shares authorized; shares issued: December 31, 2000--198,912,094 and December 31, 2001--218,804,363	1,989	2,188
Additional paid-in capital	2,894,095	3,301,023
Accumulated other comprehensive loss	(25,100)	(43,246)
Accumulated deficit	(450,122)	(895,317)
Total stockholders' equity	2,420,862	2,364,648
	$6,401,885	$7,375,458

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,		
	1999	2000	2001
Net revenues:			
Site rental and broadcast transmission	$ 267,894	$ 446,039	$ 575,961
Network services and other	77,865	203,126	322,990
	345,759	649,165	898,951
Operating expenses:			
Costs of operations (exclusive of depreciation and amortization):			
Site rental and broadcast transmission	114,436	194,424	238,748
Network services and other	42,312	120,176	228,485
General and administrative	43,823	76,944	102,539
Corporate development	5,403	10,489	12,337
Restructuring charges	5,645	--	19,416
Asset write-down charges	--	--	24,922
Non-cash general and administrative compensation charges	2,173	3,127	6,112
Depreciation and amortization	130,106	238,796	328,491
	343,898	643,956	961,050
Operating income (loss)	1,861	5,209	(62,099)
Other income (expense):			
Interest and other income (expense)	17,731	33,761	8,548
Interest expense and amortization of deferred financing costs	(110,908)	(241,294)	(297,444)
Loss before income taxes, minority interests, extraordinary item and cumulative effect of change in accounting principle	(91,316)	(202,324)	(350,995)
Provision for income taxes	(275)	(246)	(16,478)
Minority interests	(2,756)	(721)	1,306
Loss before extraordinary item and cumulative effect of change in accounting principle	(94,347)	(203,291)	(366,167)
Extraordinary item--loss on early extinguishment of debt	--	(1,495)	--
Cumulative effect of change in accounting principle for costs of start-up activities	(2,414)	--	--
Net loss	(96,761)	(204,786)	(366,167)
Dividends on preferred stock	(28,881)	(59,469)	(79,028)
Net loss after deduction of dividends on preferred stock	$(125,642)	$(264,255)	$(445,195)
Net loss	$ (96,761)	$(204,786)	$(366,167)
Other comprehensive income (loss):			
Foreign currency translation adjustments	(4,703)	(22,087)	(10,154)
Derivative instruments:			
Net change in fair value of cash flow hedging instruments	--	--	(10,336)
Amounts reclassified into results of operations	--	--	2,166
Comprehensive loss before cumulative effect of change in accounting principle	(101,464)	(226,873)	(384,491)
Cumulative effect of change in accounting principle for derivative financial instruments	--	--	178
Comprehensive loss	$(101,464)	$(226,873)	$(384,313)
Per common share--basic and diluted:			
Loss before extraordinary item and cumulative effect of change in accounting principle	$ (0.94)	$ (1.47)	$ (2.08)
Extraordinary item	--	(0.01)	--
Cumulative effect of change in accounting principle	(0.02)	--	--
Net loss	$ (0.96)	$ (1.48)	$ (2.08)
Common shares outstanding--basic and diluted (in thousands)	131,466	178,588	214,246

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, 1999	2000	2001
Cash flows from operating activities:			
Net loss	$ (96,761)	$ (204,786)	$ (366,167)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	130,106	238,796	328,491
Amortization of deferred financing costs and discounts on long-term debt	49,937	81,003	91,753
Asset write-down charges	--	--	24,922
Non-cash general and administrative compensation charges	2,173	3,127	6,112
Minority interests	2,756	721	(1,306)
Extraordinary loss on early extinguishment of debt	--	1,495	--
Cumulative effect of change in accounting principle	2,414	--	--
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase in deferred rental revenues and other liabilities	75,277	143,999	140,649
Increase in accrued interest	5,518	26,803	12,668
Increase in accounts payable	889	55,466	4,175
Increase in inventories, prepaid expenses and other assets	(36,788)	(89,110)	(88,681)
Increase in receivables	(42,913)	(92,019)	(20,686)
Net cash provided by operating activities	92,608	165,495	131,930
Cash flows from investing activities:			
Maturities of investments	--	--	311,000
Capital expenditures	(293,801)	(636,506)	(683,102)
Purchases of investments	--	(175,000)	(337,463)
Acquisitions of businesses and assets, net of cash acquired	(1,208,466)	(1,143,682)	(155,651)
Investments in affiliates and other	(6,879)	(2,499)	(29,920)
Net cash used for investing activities	(1,509,146)	(1,957,687)	(895,136)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	757,206	1,015,020	450,000
Proceeds from issuance of capital stock	805,771	743,290	358,207
Net borrowings under revolving credit agreements	136,993	78,000	296,829
Proceeds from issuance of subsidiary stock to minority shareholder	--	--	16,434
Incurrence of financing costs	(28,330)	(47,219)	(12,161)
Principal payments on long-term debt	--	(82,000)	--
Dividends on preferred stock	(1,238)	--	--
Net cash provided by financing activities	1,670,402	1,707,091	1,109,309
Effect of exchange rate changes on cash	(986)	(10,394)	4,666
Net increase (decrease) in cash and cash equivalents	252,878	(95,495)	350,769
Cash and cash equivalents at beginning of year	296,450	549,328	453,833
Cash and cash equivalents at end of year	$ 549,328	$ 453,833	$ 804,602
Supplementary schedule of non-cash investing and financing activities:			
Amounts recorded in connection with acquisitions (see Note 2):			
Fair value of net assets acquired, including goodwill and other intangible assets	$ 1,750,506	$ 2,005,935	$ 157,458
Escrow deposits for acquisitions	50,000	(50,000)	--
Issuance of common stock	397,710	707,389	1,807
Minority interests	14,330	104,864	--
Issuance of long-term debt	180,000	--	--
Supplemental disclosure of cash flow			

information:

Interest paid...........................	$ 54,514	$ 128,996	$ 194,927
Income taxes paid.......................	301	257	492

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In thousands of dollars, except share amounts)

	Common Stock		Class A Common Stock			Accumulated Other Comprehensive Income (Loss)			
	Shares	($.01 Par)	Shares	($.01 Par)	Additional Paid-In Capital	Foreign Currency Translation Adjustments	Derivative Instruments	Accumulated Deficit	Total
Balance, January 1, 1999	83,123,873	$ 831	11,340,000	$ 113	$ 795,153	$ 1,690	$ --	$ (60,225)	$ 737,562
Issuances of capital stock and warrants	62,951,032	630	--	--	1,007,947	--	--	--	1,008,577
Non-cash general and administrative compensation charges	--	--	--	--	1,953	--	--	--	1,953
Foreign currency translation adjustments	--	--	--	--	--	(4,703)	--	--	(4,703)
Dividends on preferred stock	--	--	--	--	--	--	--	(28,881)	(28,881)
Net loss	--	--	--	--	--	--	--	(96,761)	(96,761)
Balance, December 31, 1999	146,074,905	1,461	11,340,000	113	1,805,053	(3,013)	--	(185,867)	1,617,747
Conversion of Class A Common Stock to Common Stock	11,340,000	113	(11,340,000)	(113)	--	--	--	--	--
Issuances of capital stock	40,636,221	406	--	--	1,061,861	--	--	--	1,062,267
Non-cash general and administrative compensation charges	--	--	--	--	2,248	--	--	--	2,248
Foreign currency translation adjustments	--	--	--	--	--	(22,087)	--	--	(22,087)
Dividends on preferred stock	860,968	9	--	--	24,933	--	--	(59,469)	(34,527)
Net loss	--	--	--	--	--	--	--	(204,786)	(204,786)
Balance, December 31, 2000	198,912,094	1,989	--	--	2,894,095	(25,100)	--	(450,122)	2,420,862
Issuances of capital stock	16,710,505	167	--	--	359,847	--	--	--	360,014
Non-cash general and administrative compensation charges	--	--	--	--	4,228	--	--	--	4,228
Foreign currency translation adjustments	--	--	--	--	--	(10,154)	--	--	(10,154)
Derivative instruments:									
Net change in fair value of cash flow hedging instruments	--	--	--	--	--	--	(10,336)	--	(10,336)
Amounts reclassified into results of operations	--	--	--	--	--	--	2,166	--	2,166
Cumulative effect of change in accounting principle for derivative financial instruments	--	--	--	--	--	--	178	--	178
Dividends on preferred stock	3,181,764	32	--	--	42,853	--	--	(79,028)	(36,143)
Net loss	--	--	--	--	--	--	--	(366,167)	(366,167)
Balance, December 31, 2001	218,804,363	$2,188	--	$ --	$3,301,023	$(35,254)	$(7,992)	$(895,317)	$2,364,648

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. ("CCIC") 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, in the United Kingdom and in Australia. In the United States, Puerto Rico and Australia, 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 businesses are the operation of television and radio broadcast transmission networks and the leasing of 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.

Investments

As of December 31, 2000 and 2001, all investments (consisting of government agency debt securities) are classified as held-to-maturity since the Company has the positive intent and ability to hold such investments until they mature. Held-to-maturity securities are stated at amortized cost. Gross unrealized holding gains amounted to $156,000 and $425,000 at December 31, 2000 and 2001, respectively. Investments classified as current assets mature within one year, while those classified as noncurrent mature after one year and within three years.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. Inventories include work in process amounting $22,082,000 and $83,804,000 at December 31, 2000 and 2001, respectively.

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. The carrying value of property and equipment and other long-lived assets, including any related goodwill, will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the 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; such loss would first be charged to the carrying value of any related goodwill, and then to the carrying value of the impaired assets.

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 20 year life. Other intangible assets (principally the value of existing site rental contracts at CCUSA) are amortized on a straight-line basis over a 10 year life. The carrying value of goodwill and other intangible assets will be reviewed for impairment, in connection with impaired long-lived assets as well as on an enterprise level, 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. For enterprise level goodwill, fair value is determined using a discounted cash flows approach.

Deferred Financing Costs

Costs incurred to obtain financing are deferred and amortized over the estimated term of the related borrowing.

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 antenna 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 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.

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,		
	1999	2000	2001
	(In thousands of dollars, except per share amounts)		
Loss before extraordinary item and cumulative effect of change in accounting principle	$ (94,347)	$(203,291)	$(366,167)
Dividends on preferred stock	(28,881)	(59,469)	(79,028)
Loss before extraordinary item and cumulative effect of change in accounting principle applicable to common stock for basic and diluted computations	(123,228)	(262,760)	(445,195)
Extraordinary item	--	(1,495)	--
Cumulative effect of change in accounting principle	(2,414)	--	--
Net loss applicable to common stock for basic and diluted computations	$(125,642)	$(264,255)	$(445,195)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	131,466	178,588	214,246
Per common share--basic and diluted:			
Loss before extraordinary item and cumulative effect of change in accounting principle	$ (0.94)	$ (1.47)	$ (2.08)
Extraordinary item	--	(0.01)	--
Cumulative effect of change in accounting principle	(0.02)	--	--
Net loss	$ (0.96)	$ (1.48)	$ (2.08)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of December 31, 2001: (1) options to purchase 23,873,337 shares of common stock at exercise prices ranging from $-0- to $39.75 per share, (2) warrants to purchase 639,990 shares of common stock at an exercise price of $7.50 per share, (3) warrants to purchase 1,000,000 shares of common stock at an exercise price of $26.875 per share, (4) shares of the Company's 8 1/4% Cumulative Convertible Redeemable Preferred Stock (see Note 7) which are convertible into 7,441,860 shares of common stock and (5) shares of the Company's 6.25% Convertible Preferred Stock (see Note 7) which are convertible into 10,915,254 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, 2001.

Foreign Currency Translation

Crown Castle UK Holdings Limited ("CCUK") and Crown Castle Australia Holdings Pty Ltd. ("CCAL") use the British pound sterling and the Australian dollar, respectively, as the functional currencies for their operations. The Company translates CCUK's and CCAL's results of operations using the average exchange rates for the period, and translates CCUK's and CCAL's assets and liabilities using the exchange rates at the end of the period. The cumulative effect of changes in the exchange rates are recorded as translation adjustments 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 investment securities is based on quoted market prices. The estimated fair value of the Company's public debt securities 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 agreements is based on the amount that the Company would receive or pay to terminate the agreements 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, 2000		December 31, 2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands of dollars)			
Cash and cash equivalents..	$ 453,833	$ 453,833	$ 804,602	$ 804,602
Short-term investments (to be held to maturity).................	38,000	38,015	72,963	73,224
Investments (to be held to maturity)................	137,000	137,141	128,500	128,664
Long-term debt............	(2,602,687)	(2,593,615)	(3,423,097)	(3,236,191)
Interest rate swap agreements, net...........	--	178	(7,992)	(7,992)

The Company does not currently hold or issue derivative financial instruments for trading purposes.

Stock Options

The Company uses the "intrinsic value based method" of accounting for its employee stock option plans (see Note 8). This method does not result in the recognition of compensation expense when employee stock options are granted if the exercise price of the options equals or exceeds the fair market value of the stock at the date of grant. See Note 8 for the disclosures required by Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation.

Recent Accounting Pronouncements

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 had deferred certain costs incurred in connection with potential business initiatives and new geographic markets, and SOP 98-5 required that such deferred costs be charged to results of operations upon its adoption. The Company has adopted 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 resulted in a charge to results of operations for $2,414,000 in the Company's financial statements for the year ended December 31, 1999.

On January 1, 2001, the Company adopted the requirements of 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 are recorded either in results of operations or in other comprehensive income (loss), depending on the intended use of the derivative instrument. The initial application of SFAS 133 is reported as the effect of a change in accounting principle. The adoption of SFAS 133 resulted in a net transition adjustment gain of approximately $178,000 in accumulated other comprehensive income (loss), the recognition of approximately $363,000 of derivative instrument assets and the recognition of approximately $185,000 of derivative instrument liabilities. The amounts for this transition adjustment are based on current fair value measurements at the date of adoption of SFAS 133. The Company expects that the adoption of SFAS 133 will increase the volatility of other comprehensive income (loss) as reported in its future financial statements.

The derivative instruments recognized upon the Company's adoption of SFAS 133 consist of interest rate swap agreements. Such agreements are used to manage interest rate risk on a portion of the Company's floating rate indebtedness, and are designated as cash flow hedging instruments in accordance with SFAS 133. The interest rate swap agreements have notional amounts aggregating $150,000,000 and effectively convert the interest payments on an equal amount of debt from a floating rate to a fixed rate. As such, the Company is protected from future increases in market interest rates on that portion of its indebtedness. To the extent that the interest rate swap agreements are effective in hedging the Company's interest rate risk, the changes in their fair values are recorded as other comprehensive income (loss). Amounts recorded as other comprehensive income (loss) are reclassified into results of operations in the same periods that the hedged interest costs are recorded in interest expense. The Company estimates that such reclassified amounts will be approximately $5,700,000 for the year ending December 31, 2002. To the extent that any portions of the interest rate swap agreements are deemed ineffective, the related changes in fair values are recognized in results of operations. As of December 31, 2001, the accumulated other comprehensive loss in consolidated stockholders' equity includes $7,992,000 in losses related to derivative instruments.

In July 2001, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"), and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142"). SFAS 141 prohibits the use of the pooling-of-interests method of accounting for business combinations, and requires that the purchase method be used for all business combinations after June 30, 2001. SFAS 141 also changes the manner in which acquired intangible assets are identified and recognized apart from goodwill. Further, SFAS 141 requires additional disclosures regarding the reasons for business combinations, the allocation of the purchase price to recognized assets and liabilities and the recognition of goodwill and other intangible assets. The Company has used the purchase method of accounting since its inception, so the adoption of SFAS 141 will not change its method of accounting for business combinations. The Company will adopt the other recognition and disclosure requirements of SFAS 141 as of July 1, 2001 for any future business combinations. The transition provisions of SFAS 141 require that the carrying amounts for goodwill and other intangible assets acquired in prior purchase method business combinations be reviewed and reclassified in accordance with the new recognition rules; such reclassifications are to be made in conjunction with the adoption of SFAS 142. The Company will apply these transition provisions of SFAS 141 as of January 1, 2002, and does not believe that they will have any effect on its consolidated financial statements.

SFAS 142 changes the accounting and disclosure requirements for acquired goodwill and other intangible assets. The most significant provision of SFAS 142 is that goodwill and other intangible assets with indefinite useful lives will no longer be amortized, but rather will be tested for impairment on an annual basis. This annual impairment test will involve (1) a step to identify potential impairment at a reporting unit level based on fair values, and (2) a step to measure the amount of the impairment, if any. Intangible assets with finite useful lives will continue to be amortized over such lives, and tested for impairment in accordance with the Company's existing policies. SFAS 142 requires disclosures about goodwill and other intangible assets in the periods subsequent to their acquisition, including (1) changes in the carrying amount of goodwill, in total and by operating segment, (2) the carrying amounts of intangible assets subject to amortization and those which are not subject to amortization, (3) information about impairment losses recognized, and (4) the estimated amount of intangible asset amortization expense for the next five years. The provisions of SFAS 142 are effective for fiscal years beginning after December 15, 2001. The Company will adopt the requirements of SFAS 142 as of January 1, 2002. In addition, the nonamortization provisions of SFAS 142 are to be immediately applied for goodwill and other intangible assets acquired in business combinations subsequent to June 30, 2001. SFAS 142 requires that transitional impairment tests be performed at its adoption, and provides that resulting impairment losses for goodwill and other intangible assets be reported as the effect of a change in accounting principle. The Company has not yet completed its transitional impairment tests but, based on preliminary results of those tests, does not currently believe that an impairment loss for goodwill and other intangible assets will be recorded upon the adoption of SFAS 142. The Company expects that its depreciation and amortization expense will decrease by approximately $62,068,000 per year as a result of the adoption of SFAS 142.

In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"). SFAS 144 supersedes 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"), but retains many of its fundamental provisions. SFAS 144 also clarifies certain measurement and classification issues from SFAS 121. In addition, SFAS 144 supersedes the accounting and reporting provisions for the disposal of a business segment as found in Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions ("APB 30"). However, SFAS 144 retains the requirement in APB 30 to separately report discontinued operations, and broadens the scope of such requirement to include more types of disposal transactions. The scope of SFAS 144 excludes goodwill and other intangible assets that are not to be amortized, as the accounting for such items is prescribed by SFAS 142. The provisions of SFAS 144 are effective for fiscal years beginning after December 15, 2001, and are to be applied prospectively. The Company will adopt the requirements of SFAS 144 as of January 1, 2002.

2. Acquisitions

During the three years in the period ended December 31, 2001, the Company consummated a number of business and asset acquisitions which were accounted for using the purchase method. Results of operations and cash flows of the acquired businesses and assets are included in the consolidated financial statements for the periods subsequent to the respective dates of acquisition.

Agreement with Bell Atlantic Mobile ("BAM")

On December 8, 1998, the Company entered into an agreement with BAM (now part of Verizon Communications) to form a joint venture ("Crown Atlantic") to own and operate a significant majority of

BAM's towers. Upon formation of Crown Atlantic on March 31, 1999, (1) the Company contributed to Crown Atlantic $250,000,000 in cash and 15,597,783 shares of its common stock in exchange for a 61.5% ownership interest in Crown Atlantic, (2) Crown Atlantic borrowed $180,000,000 under a committed $250,000,000 revolving credit facility (see Note 4); and (3) BAM contributed to Crown Atlantic approximately 1,458 towers in exchange for a cash distribution of $380,000,000 from Crown Atlantic and a 38.5% ownership interest in Crown Atlantic. In addition to the towers originally contributed to Crown Atlantic by BAM, the Company and BAM agreed that certain additional towers owned by BAM (the "Frontier towers") could be contributed to Crown Atlantic. In August and October 2000, BAM contributed 215 of the Frontier towers in exchange for additional ownership interests in Crown Atlantic. Upon dissolution of Crown Atlantic, BAM will receive (1) the shares of the Company's common stock contributed to Crown Atlantic and (2) a payment (either in cash or in shares of the Company's common stock, at the Company's election) equal to approximately 24.1% of the fair market value (at the dissolution date) of Crown Atlantic's other net assets; the Company would then receive the remaining assets and liabilities of Crown Atlantic. The Company has accounted for its investment in Crown Atlantic as an acquisition using the purchase method, and has included Crown Atlantic's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to formation. The Company recognized goodwill of approximately $64,163,000 in connection with this acquisition.

BellSouth Mobility Inc. and BellSouth Telecommunications Inc. ("BellSouth")

In March 1999, the Company entered into an agreement with BellSouth (now part of Cingular) to acquire the operating rights for approximately 1,850 of their towers. The legal form of the transaction is a lease arrangement and will be treated by BellSouth as a sale of the towers for tax purposes. During 1999, 2000 and 2001, the Company closed on a revised total of 1,942 towers and paid $463,681,000 in cash and issued 9,084,025 shares of its common stock. The Company accounted for this transaction as a purchase of tower assets.

Powertel, Inc. ("Powertel")

In March 1999, the Company entered into an agreement with Powertel to purchase 650 of their towers and related assets. The total purchase price for these towers was $275,000,000 in cash, all of which was paid in 1999. The Company has accounted for this transaction as an acquisition using the purchase method.

BellSouth DCS

In July 1999, the Company entered into an agreement with certain affiliates of BellSouth ("BellSouth DCS", now part of Cingular) to acquire the operating rights for approximately 773 of their towers. The legal form of the transaction is a lease arrangement and will be treated by BellSouth as a sale of the towers for tax purposes. During 1999, 2000 and 2001, the Company closed on 745 of these towers and paid $307,015,000 in cash. The Company accounted for this transaction as a purchase of tower assets.

Agreement With GTE Corporation ("GTE")

On November 7, 1999, the Company entered into an agreement with GTE (now part of Verizon Communications) to form a joint venture ("Crown Castle GT") to own and operate a significant majority of GTE's towers. The agreement contemplated that the transaction would be completed in multiple closings during 2000. On January 31, 2000, the formation of Crown Castle GT took place in connection with the first such closing of towers. During the course of the multiple closings, (1) the Company contributed an aggregate of approximately $815,266,000 (of which approximately $94,464,000 was in shares of its common stock, with the balance in cash) in exchange for a majority ownership interest in Crown Castle GT, and (2) GTE contributed approximately 2,300 towers in exchange for cash distributions aggregating approximately $695,802,000 from Crown Castle GT and a minority ownership interest in Crown Castle GT. Upon dissolution of Crown Castle GT, GTE will receive (1) the 5,063,731 shares of the Company's common stock contributed to Crown Castle GT and (2) a payment in cash equal to approximately 11.0% of the fair market value (at the dissolution date) of Crown Castle GT's other net assets; the Company will then receive the remaining assets and liabilities of Crown Castle GT. The Company has accounted for its investment in Crown Castle GT as a purchase of tower assets, and has included Crown Castle GT's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to formation.

Upon entering into the agreement with GTE, the Company placed $50,000,000 into an escrow account. At the April 3, 2000 closing, the funds in the escrow account were used to pay $50,000,000 of the Company's cash contribution. A portion of the remaining cash contribution for this closing was financed with the net proceeds from borrowings under the Term Loans due 2011 (see Note 4).

In addition to the approximately 2,300 towers contributed pursuant to the formation agreement, GTE had the right to contribute certain additional towers to Crown Castle GT, including towers acquired by GTE from Ameritech Corp. ("Ameritech"), on terms substantially similar to those in the formation agreement. In April 2000, the Company agreed with GTE that the Ameritech towers would be contributed to Crown Castle GT. In August and September 2000, the Company contributed $181,641,000 in cash, and GTE contributed 497 of the Ameritech towers in exchange for a cash distribution of $181,641,000 from Crown Castle GT.

Crown Castle Australia Holdings Pty Ltd. ("CCAL")

In March 2000, CCAL (a 77.6% owned subsidiary of the Company) entered into an agreement to purchase approximately 700 towers in Australia from Cable & Wireless Optus ("Optus"). The total purchase price for the towers was approximately $135,000,000 in cash (Australian $220,000,000). The Company has accounted for its investment in CCAL as a purchase of tower assets, and has included CCAL's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to the purchase date. On April 3, 2000, the first closing took place for CCAL. The Company contributed $90,786,000 in cash (Australian $147,500,000) to CCAL. The largest portion of this amount, along with a capital contribution from CCAL's minority shareholder, was used to pay $103,485,000 (Australian $168,131,000) to Optus. The substantial portion of the remaining payments to Optus have been made by CCAL during 2000 and 2001.

CCUK

On July 5, 2000, TeleDiffusion de France International S.A. ("TdF", a subsidiary of France Telecom) and an affiliate of TdF sold their remaining interests in the Company to a third party (see Note 8). In connection with this disposition, the Company issued 17,443,500 shares of its Common Stock in exchange for TdF's 20% interest in CCUK. As a result, CCUK became a wholly owned subsidiary of the Company. The Company recognized additional goodwill of approximately $493,751,000 in connection with this transaction.

3. Property and Equipment

The major classes of property and equipment are as follows:

	Estimated Useful Lives	December 31, 2000	December 31, 2001
		(In thousands of dollars)	
Land and buildings	0-50 years	$ 141,791	$ 168,252
Telecommunications towers and broadcast transmission equipment	5-20 years	4,404,443	5,182,050
Transportation and other equipment	3-10 years	23,775	12,378
Office furniture and equipment	3-7 years	38,548	49,069
		4,608,557	5,411,749
Less: accumulated depreciation		(305,520)	(566,837)
		$4,303,037	$4,844,912

Depreciation expense for the years ended December 31, 1999, 2000 and 2001 was $96,556,000, $190,610,000 and $265,395,000 respectively. Accumulated depreciation on telecommunications towers and broadcast transmission equipment was $204,855,000 and $406,607,000 at December 31, 2000 and 2001, respectively. At December 31, 2001, minimum rentals receivable under existing operating leases for towers are as follows: years ending December 31, 2002--$564,980,000; 2003--$542,559,000; 2004--$525,192,000; 2005--$489,547,000; 2006--$440,528,000; thereafter--$988,376,000.

4. Long-term Debt

Long-term debt consists of the following:

	December 31, 2000	December 31, 2001
	(In thousands of dollars)	
2000 Credit Facility	$ 500,000	$ 700,000
CCUK Credit Facility	138,932	172,050
Crown Atlantic Credit Facility	239,000	300,000
9% Guaranteed Bonds due 2007	181,820	177,401
10 5/8% Senior Discount Notes due 2007, net of discount	206,768	229,321
10 3/8% Senior Discount Notes due 2011, net of discount	355,482	393,320
9% Senior Notes due 2011	180,000	180,000
11 1/4% Senior Discount Notes due 2011, net of discount	175,685	196,005
9 1/2% Senior Notes due 2011	125,000	125,000
10 3/4% Senior Notes due 2011	500,000	500,000
9 3/8% Senior Notes due 2011	--	450,000
	2,602,687	3,423,097
Less: current maturities	--	(29,086)
	$2,602,687	$3,394,011

2000 Credit Facility

In March 2000, a subsidiary of the Company entered into a credit agreement with a syndicate of banks (the "2000 Credit Facility") which consists of two term loan facilities and a revolving line of credit aggregating

$1,200,000,000. Available borrowings under the 2000 Credit Facility are generally to be used for the construction and purchase of towers and for general corporate purposes of CCUSA, Crown Castle GT and CCAL. The amount of available borrowings will be determined based on the current financial performance (as defined) of those subsidiaries' assets. In addition, up to $25,000,000 of borrowing availability under the 2000 Credit Facility can be used for letters of credit.

On March 15, 2000, the Company used $83,375,000 in borrowings under one of the term loan facilities of the 2000 Credit Facility to repay outstanding borrowings and accrued interest under a prior credit facility. The net proceeds from $316,625,000 in additional borrowings under this term loan facility were used to fund a portion of the purchase price for Crown Castle GT and for general corporate purposes. As of December 31, 2001, approximately $500,000,000 of borrowings was available under the 2000 Credit Facility, of which $25,000,000 was available for letters of credit. There were no letters of credit outstanding as of December 31, 2001. In the first quarter of 2000, the Company recorded an extraordinary loss of $1,495,000 consisting of the write-off of unamortized deferred financing costs related to the prior credit facility.

The amount of available borrowings under the 2000 Credit Facility's term loans and revolving line of credit will decrease by stated amounts at the end of each calendar quarter beginning on June 30, 2003. Any remaining borrowings under one of the term loans must be repaid on March 15, 2008. Any remaining borrowings under the other term loan and the revolving line of credit must be repaid on September 15, 2007. Under certain circumstances, the Company's subsidiaries may be required to make principal prepayments under the 2000 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 borrowings.

The 2000 Credit Facility is secured by substantially all of the assets of CCUSA and CCAL, and the Company's pledge of the capital stock of those subsidiaries and Crown Castle GT. In addition, the 2000 Credit Facility is guaranteed by CCIC. Borrowings under the 2000 Credit Facility bear interest at rates per annum, at the Company's election, equal to the bank's prime rate plus margins ranging from 1.75% to 2.00% or a Eurodollar interbank offered rate (LIBOR) plus margins ranging from 2.75% to 3.00% (6.50% and 4.66%, respectively, at December 31, 2001). The interest rate margins may be reduced by up to 1.00% (non-cumulatively) based on a financial test, determined quarterly. Interest on prime rate loans is due quarterly, while interest on LIBOR loans is due at the end of the period (from one to six months) for which such LIBOR rate is in effect. The 2000 Credit Facility requires the borrowers to maintain certain financial covenants and places restrictions on their ability to, among other things, incur debt and liens, pay dividends, make capital expenditures, dispose of assets, undertake transactions with affiliates and make investments.

CCUK Credit Facility

CCUK has a credit agreement with a syndicate of banks (as amended, the "CCUK Credit Facility") which comprises (1) a (Pounds)100,000,000 (approximately $145,430,000) revolving loan facility and (2) a (Pounds)50,000,000 (approximately $72,715,000) revolving loan facility. Available borrowings under the CCUK Credit Facility are generally to be used to finance capital expenditures and for working capital and general corporate purposes. As of December 31, 2001, unused borrowing availability under the CCUK Credit Facility amounted to approximately (Pounds)30,000,000 (approximately $43,629,000).

In June 2002, the amount drawn under the (Pounds)100,000,000 revolving loan facility will be converted into a term loan facility and will be amortized in equal semi-annual installments on June 30 and December 31 of each year, with the final installment being due in June 2006. The (Pounds)50,000,000 revolving loan facility expires in June 2006. Under certain circumstances, CCUK may be required to make principal prepayments from the proceeds of certain asset sales.

The CCUK Credit Facility is secured by substantially all of CCUK's assets. Borrowings under the CCUK Credit Facility bear interest at a rate per annum equal to a Eurodollar interbank offered rate (LIBOR) plus 1.5% (approximately 4.98% at December 31, 2001). The interest rate margin may be reduced by up to 0.875% (non-cumulatively) based on a financial test. Interest is due at the end of the period (from one to six months) for which such LIBOR rate is in effect. The CCUK Credit Facility requires CCUK to maintain certain financial covenants and places restrictions on CCUK'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.

Crown Atlantic Credit Facility

Crown Atlantic has a credit agreement with a syndicate of banks (as amended, the "Crown Atlantic Credit Facility") which consists of a $345,000,000 secured revolving line of credit. Available borrowings under the Crown Atlantic Credit Facility are generally to be used to construct new towers and to finance a portion of the purchase price for towers and related assets of Crown Atlantic. The amount of available borrowings is determined based on the current financial performance (as defined) of Crown Atlantic's assets. In addition, up to $25,000,000 of borrowing availability under the Crown Atlantic Credit Facility can be used for letters of credit.

On March 31, 1999, Crown Atlantic borrowed $180,000,000 under the Crown Atlantic Credit Facility to fund a portion of the cash payment to BAM (see Note 2). As of December 31, 2001, approximately $45,000,000 of borrowings was available under the Crown Atlantic Credit Facility, of which $25,000,000 was available for letters of credit. There were no letters of credit outstanding as of December 31, 2001.

The amount of available borrowings under the Crown Atlantic Credit Facility will decrease by a stated amount at the end of each calendar quarter beginning on March 31, 2003 until March 31, 2006, at which time any remaining borrowings must be repaid. Under certain circumstances, Crown Atlantic may be required to make principal prepayments under the Crown Atlantic 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.

The Crown Atlantic Credit Facility is secured by a pledge of the membership interest in Crown Atlantic and a security interest in Crown Atlantic's tenant leases. Borrowings under the Crown Atlantic Credit Facility bear interest at a rate per annum, at Crown Atlantic's election, equal to the bank's prime rate plus 1.25% or a Eurodollar interbank offered rate (LIBOR) plus 2.75% (4.75% and 3.76%, respectively, at December 31, 2001). The interest rate margins may be reduced by up to 1.25% (non-cumulatively) based on a financial test, determined quarterly. 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 Crown Atlantic Credit Facility requires Crown Atlantic to maintain certain financial covenants and places restrictions on Crown Atlantic'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 ("CCUK Bonds")

CCUK has issued (Pounds)125,000,000 (approximately $181,788,000) aggregate principal amount of the CCUK Bonds. Interest payments on the CCUK Bonds are due annually on each March 30. The maturity date of the CCUK Bonds is March 30, 2007. The CCUK Bonds are stated net of unamortized discount.

The CCUK Bonds are redeemable, at the option of CCUK, 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 CCUK Bonds has the right to require CCUK to repurchase all or a portion of such holder's CCUK Bonds at a price equal to 101% of their aggregate principal amount plus accrued and unpaid interest.

The CCUK Bonds are guaranteed by CCUK; however, they are unsecured and effectively subordinate to the outstanding borrowings under the CCUK Credit Facility. The trust deed governing the CCUK Bonds places restrictions on CCUK'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.

10 5/8% Senior Discount Notes due 2007 (the "10 5/8% Discount Notes")

The Company has issued $251,000,000 aggregate principal amount (at maturity) of the 10 5/8% Discount Notes. The 10 5/8% Discount 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 10 5/8% Discount Notes is November 15, 2007. The 10 5/8% Discount Notes are net of unamortized discount of $44,232,000 and $21,679,000 at December 31, 2000 and 2001, respectively.

The 10 5/8% Discount 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 10 5/8% Discount Notes are redeemable at par.

10 3/8% Senior Discount Notes due 2011 (the "10 3/8% Discount Notes") and 9% Senior Notes due 2011 (the "9% Senior Notes")

On May 12, 1999, the Company issued (1) $500,000,000 aggregate principal amount (at maturity) of its 10 3/8% Discount Notes for proceeds of $292,644,000 (net of original issue discount of $198,305,000 and after underwriting discounts of $9,051,000) and (2) $180,000,000 aggregate principal amount of its 9% Senior Notes for proceeds of $174,600,000 (after underwriting discounts of $5,400,000). The Company used a portion of the proceeds from the sale of these securities to repay $100,000,000 in outstanding borrowings, including accrued interest thereon, under a term loan credit facility in connection with the BellSouth and Powertel transactions (see Note 2). The remaining proceeds were used to pay the remaining purchase price for such transactions, to fund the initial interest payments on the 9% Senior Notes and for general corporate purposes.

The 10 3/8% Discount Notes will not pay any interest until November 15, 2004, at which time semi-annual interest payments will commence and become due on each May 15 and November 15 thereafter. Semi-annual interest payments for the 9% Senior Notes are due on each May 15 and November 15, commencing on November 15, 1999. The maturity date of the 10 3/8% Discount Notes and the 9% Senior Notes is May 15, 2011. The 10 3/8% Discount Notes are net of unamortized discount of $144,518,000 and $106,680,000 at December 31, 2000 and 2001, respectively.

The 10 3/8% Discount Notes and the 9% Senior Notes are redeemable at the option of the Company, in whole or in part, on or after May 15, 2004 at prices of 105.187% and 104.5%, respectively, of the principal amount plus accrued interest. The redemption prices are reduced annually until May 15, 2007, after which time the 10 3/8% Discount Notes and the 9% Senior Notes are redeemable at par. Prior to May 15, 2002, the Company may redeem up to 35% of the aggregate principal amount of the 10 3/8% Discount Notes and the 9% Senior Notes, at prices of 110.375% and 109%, respectively, of the accreted value thereof, with the net cash proceeds from a public offering of the Company's common stock.

11 1/4% Senior Discount Notes due 2011 (the "11 1/4% Discount Notes") and 9 1/2% Senior Notes due 2011 (the "9 1/2% Senior Notes")

On July 27, 1999, the Company issued (1) $260,000,000 aggregate principal amount (at maturity) of its 11 1/4% Discount Notes for proceeds of $147,501,000 (net of original issue discount of $109,489,000 and after underwriting discounts of $3,010,000) and (2) $125,000,000 aggregate principal amount of its 9 1/2% Senior Notes for proceeds of $122,500,000 (after underwriting discounts of $2,500,000) (collectively, the "July 1999 Offerings"). The proceeds from the sale of these securities were used to pay the purchase price for the BellSouth DCS transaction (see Note 2), to fund the initial interest payments on the 9 1/2% Senior Notes and for general corporate purposes.

The 11 1/4% Discount Notes will not pay any interest until February 1, 2005, at which time semi-annual interest payments will commence and become due on each February 1 and August 1 thereafter. Semi-annual interest payments for the 9 1/2% Senior Notes are due on each February 1 and August 1, commencing on February 1, 2000. The maturity date of the 11 1/4% Discount Notes and the 9 1/2% Senior Notes is August 1, 2011. The 11 1/4% Discount Notes are net of unamortized discount of $84,315,000 and $63,995,000 at December 31, 2000 and 2001, respectively.

The 11 1/4% Discount Notes and the 9 1/2% Senior Notes are redeemable at the option of the Company, in whole or in part, on or after August 1, 2004 at prices of 105.625% and 104.75%, respectively, of the principal amount plus accrued interest. The redemption prices are reduced annually until August 1, 2007, after which time the 11 1/4% Discount Notes and the 9 1/2% Senior Notes are redeemable at par. Prior to August 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of the 11 1/4% Discount Notes and the 9 1/2% Senior Notes, at prices of 111.25% and 109.5%, respectively, of the accreted value thereof, with the net cash proceeds from a public offering of the Company's common stock.

Term Loans due 2011

On April 3, 2000, the Company borrowed $400,000,000 under a term loan agreement with a group of lenders (the "Term Loans"). The net proceeds from this borrowing, which amounted to $395,875,000, were used to fund a portion of the cash contribution for the towers at Crown Castle GT (See Note 2). The Term Loans were repaid in June 2000 with proceeds from the sale of the Company's 10 3/4% Senior Notes.

10 3/4% Senior Notes due 2011 (the "10 3/4% Senior Notes")

On June 21, 2000, the Company issued $500,000,000 aggregate principal amount of its 10 3/4% Senior Notes for proceeds of $483,674,000 (after underwriting discounts of $16,326,000). A portion of the proceeds from the sale of these securities were used to repay the Term Loans (as discussed above), and the remaining proceeds are being used to fund the initial interest payments on the 10 3/4% Senior Notes and for general corporate purposes. Semi-annual interest payments for the 10 3/4% Senior Notes are due on each February 1 and August 1, commencing on February 1, 2001. The maturity date of the 10 3/4% Senior Notes is August 1, 2011.

The 10 3/4% Senior Notes are redeemable at the option of the Company, in whole or in part, on or after August 1, 2005 at a price of 105.375% of the principal amount plus accrued interest. The redemption price is reduced annually until August 1, 2008, after which time the 10 3/4% Senior Notes are redeemable at par. Prior to August 1, 2003, the Company may redeem up to 35% of the aggregate principal amount of the 10 3/4% Senior Notes, at a price of 110.75% of the principal amount thereof, with the net cash proceeds from a public offering of the Company's common stock.

9 3/8% Senior Notes due 2011 (the "9 3/8% Senior Notes")

On May 10, 2001, the Company issued $450,000,000 aggregate principal amount of its 9 3/8% Senior Notes for proceeds of $441,000,000 (after underwriting discounts of $9,000,000). The proceeds from the sale of these securities will be used to fund the initial interest payments on the 9 3/8% Senior Notes and for general corporate purposes. Semi-annual interest payments for the 9 3/8% Senior Notes are due on each February 1 and August 1, commencing on August 1, 2001. The maturity date of the 9 3/8% Senior Notes is August 1, 2011.

The 9 3/8% Senior Notes are redeemable at the option of the Company, in whole or in part, on or after August 1, 2006 at a price of 104.688% of the principal amount plus accrued interest. The redemption price is reduced annually until August 1, 2009, after which time the 9 3/8% Senior Notes are redeemable at par. Prior to August 1, 2004, the Company may redeem up to 35% of the aggregate principal amount of the 9 3/8% Senior Notes, at a price of 109.375% of the principal amount thereof, with the net cash proceeds from a public offering of the Company's common stock.

Structural Subordination of the Debt Securities

The 10 5/8% Discount Notes, the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes, the 9 1/2% Senior Notes, the 10 3/4% Senior Notes and the 9 3/8% Senior Notes (collectively, the "Debt Securities") 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 2000 Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds. The indentures governing the Debt Securities (the "Indentures") place 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, 2001, the Company was effectively precluded from paying dividends on its capital stock under the terms of the Indentures.

Reporting Requirements Under the Indentures Governing the Company's Debt Securities and the Certificate of Designations Governing the Company's 12 3/4% Senior Exchangeable Preferred Stock (the "Certificate")

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

The Company has designated CCUK, Crown Atlantic and certain investment subsidiaries as Unrestricted Subsidiaries. Summarized financial information for (1) the Company and its Restricted Subsidiaries and (2) the Company's Unrestricted Subsidiaries is as follows:

	December 31, 2001			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 233,027	$ 571,575	$ --	$ 804,602
Other current assets	291,976	119,483	--	411,459
Property and equipment, net	3,354,557	1,490,355	--	4,844,912
Investments	128,500	--	--	128,500
Investments in Unrestricted Subsidiaries	2,079,694	--	(2,079,694)	--
Goodwill and other intangible assets, net	178,540	872,891	--	1,051,431
Other assets, net	117,277	17,277	--	134,554
	$ 6,383,571	$3,071,581	$(2,079,694)	$7,375,458
Current liabilities	$ 239,039	$ 172,414	$ --	$ 411,453
Long-term debt, less current maturities	2,773,646	620,365	--	3,394,011
Other liabilities	34,564	122,985	--	157,549
Minority interests	92,813	76,123	--	168,936
Redeemable preferred stock	878,861	--	--	878,861
Stockholders' equity	2,364,648	2,079,694	(2,079,694)	2,364,648
	$6,383,571	$3,071,581	$(2,079,694)	$7,375,458

	Three Months Ended December 31, 2001 (Unaudited)			Year Ended December 31, 2001		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$142,934	$ 95,252	$ 238,186	$ 543,777	$355,174	$ 898,951
Costs of operations (exclusive of depreciation and amortization)	74,535	47,300	121,835	288,705	178,528	467,233
General and administrative	20,958	3,763	24,721	83,005	19,534	102,539
Corporate development	1,945	502	2,447	10,502	1,835	12,337
Restructuring charges	164	--	164	16,608	2,808	19,416
Asset write-down charges	799	8,113	8,912	12,257	12,665	24,922
Non-cash general and administrative compensation charges	872	516	1,388	3,488	2,624	6,112
Depreciation and amortization	61,522	39,597	101,119	190,761	137,730	328,491
Operating income (loss)	(17,861)	(4,539)	(22,400)	(61,549)	(550)	(62,099)
Interest and other income (expense)	(5,726)	8,100	2,374	(2,333)	10,881	8,548
Interest expense and amortization of deferred financing costs	(67,454)	(11,069)	(78,523)	(250,115)	(47,329)	(297,444)
Provision for income taxes	(465)	(4,226)	(4,691)	(465)	(16,013)	(16,478)
Minority interests	430	(239)	191	2,833	(1,527)	1,306
Net loss	$(91,076)	$(11,973)	$(103,049)	$(311,629)	$(54,538)	$(366,167)

Tower Cash Flow and Adjusted Consolidated Cash Flow for the Company and its Restricted Subsidiaries is as follows under (1) the indenture governing the 10 5/8% Discount Notes and the Certificate (the "1997 and 1998 Securities") and (2) the indentures governing the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes, the 9 1/2% Senior Notes, the 10 3/4% Senior Notes and the 9 3/8% Senior Notes (the "1999, 2000 and 2001 Securities"):

	1997 and 1998 Securities	1999, 2000 and 2001 Securities
	(In thousands of dollars) (Unaudited)	
Tower Cash Flow, for the three months ended December 31, 2001	$ 44,603	$ 44,603
Consolidated Cash Flow, for the twelve months ended December 31, 2001	$ 161,565	$ 172,067
Less: Tower Cash Flow, for the twelve months ended December 31, 2001	(152,188)	(152,188)
Plus: four times Tower Cash Flow, for the three months ended December 31, 2001	178,412	178,412
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 2001	$ 187,789	$ 198,291

Maturities

Scheduled maturities of long-term debt outstanding at December 31, 2001 are as follows: years ending December 31, 2002--$29,086,000; 2003--$43,336,000; 2004--$134,711,000; 2005--$200,336,000; 2006--$282,081,000; thereafter--$2,930,288,000.

Restricted Net Assets of Subsidiaries

Under the terms of the 2000 Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. Under the 2000 Credit Facility, the amount of such dividends is generally limited to (1) $17,500,000 per year; (2) an amount to pay income taxes attributable to CCIC and the borrowers under the 2000 Credit Facility; and (3) an amount to pay interest on certain of CCIC's indebtedness. CCUK and Crown Atlantic are effectively precluded from paying dividends. The restricted net assets of the Company's subsidiaries totaled approximately $3,601,630,000 at December 31, 2001.

Interest Rate Swap Agreements

In April 1999, the Company entered into an interest rate swap agreement in connection with amounts borrowed under the Crown Atlantic Credit Facility. This interest rate swap agreement has an initial notional amount of $100,000,000, decreasing on a quarterly basis beginning September 30, 2003 until the termination of the agreement on March 31, 2006. The Company pays a fixed rate of 5.79% on the notional amount and receives a floating rate based on LIBOR. This agreement effectively changes the interest rate on a portion of the borrowings under the Crown Atlantic Credit Facility from a floating rate to a fixed rate of 5.79% plus the applicable margin.

In December 2000, the Company entered into an additional interest rate swap agreement in connection with amounts borrowed under the Crown Atlantic Credit Facility. This interest rate swap agreement has a notional amount of $50,000,000 and terminates on December 31, 2003. The Company pays a fixed rate of 5.89% on the notional amount and receives a floating rate based on LIBOR. This agreement effectively changes the interest rate on a portion of the borrowings under the Crown Atlantic Credit Facility from a floating rate to a fixed rate of 5.89% plus the applicable margin.

The Company does not believe there is any significant exposure to credit risk from these interest rate swap agreements 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.

CCUK Letter of Credit

In April 2001, CCUK issued a letter of credit to one of its customers in connection with a site development agreement. The letter of credit was issued through one of CCUSA's lenders in the amount of (Pounds)100,000,000 (approximately $145,430,000) and expires on April 16, 2002.

5. Income Taxes

Income (loss) before income taxes, minority interests, extraordinary item and cumulative effect of change in accounting principle by geographic area is as follows:

	Years Ended December 31,		
	1999	2000	2001
	(In thousands of dollars)		
Domestic	$(93,578)	$(186,551)	$(275,329)
Foreign	2,262	(15,773)	(75,666)
	$(91,316)	$(202,324)	$(350,995)

The provision for income taxes consists of the following:

	Years Ended December 31,		
	1999	2000	2001
	(In thousands of dollars)		
Current:			
State	$ 55	$ 225	$ 33
Foreign	220	21	459
	275	246	492
Deferred:			
Foreign	--	--	15,986
	$ 275	$ 246	$ 16,478

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,		
	1999	2000	2001
	(In thousands of dollars)		
Benefit for income taxes at statutory rate	$(31,047)	$ (71,337)	$(122,849)
Amortization of intangible assets	7,321	12,808	15,606
Depreciation on basis differences in joint ventures	1,012	1,131	1,116
Stock-based compensation	477	468	973
Expenses for which no federal tax benefit was recognized	186	238	115
State taxes, net of federal tax benefit	36	146	21
Losses for which no tax benefit was recognized	22,265	55,190	118,628
Other	25	1,602	2,868
	$ 275	$ 246	$ 16,478

The components of the net deferred income tax assets and liabilities are as follows:

	December 31, 2000	December 31, 2001
	(In thousands of dollars)	
Deferred income tax liabilities:		
Property and equipment	$ 49,767	$124,723
Basis differences in joint ventures	222	4,548
Other	66	54
Total deferred income tax liabilities	50,055	129,325
Deferred income tax assets:		
Net operating loss carryforwards	138,877	324,220
Foreign losses	4,096	12,163
Receivables allowance	5,932	6,280
Accrued liabilities	472	5,145
Intangible assets	692	3,233
Puerto Rico losses	147	408
Noncompete agreement	193	164
Other	54	663
Valuation allowances	(100,408)	(238,937)
Total deferred income tax assets, net	50,055	113,339
Net deferred income tax liabilities	$ --	$ 15,986

Valuation allowances of $100,408,000 and $238,937,000 were recognized to offset net deferred income tax assets as of December 31, 2000 and 2001, respectively. If the benefits related to the valuation allowance are recognized in the future, such benefits would be allocated as follows in the Company's consolidated financial statements:

Consolidated statement of operations	$214,507,000
Additional paid-in capital	24,430,000
	$238,937,000

At December 31, 2001, the Company had net operating loss carryforwards of approximately $926,343,000 which are available to offset future federal taxable income. These loss carryforwards will expire in 2010 through 2021. The utilization of the loss carryforwards is subject to certain limitations.

6. Minority Interests

Minority interests represent the minority shareholder's 20% interest in CCUK (prior to July 2000), the minority partner's 43.1% interest in Crown Atlantic, the minority partner's 17.8% interest in Crown Castle GT and the minority shareholder's 22.4% interest in CCAL.

7. Redeemable Preferred Stock

Redeemable preferred stock ($.01 par value, 20,000,000 shares authorized) consists of the following:

	December 31, 2000	December 31, 2001
	(In thousands of dollars)	
12 3/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 2000--257,067 and December 31, 2001--291,444 (stated at mandatory redemption and aggregate liquidation value)	$258,433	$292,992
8 1/4% Cumulative Convertible Redeemable Preferred Stock; shares issued: 200,000 (stated net of unamortized value of warrants; mandatory redemption and aggregate liquidation value of $200,000)	195,383	195,793
6.25% Convertible Preferred Stock; shares issued: 8,050,000 (stated net of unamortized issuance costs; mandatory redemption and aggregate liquidation value of $402,500)	388,902	390,076
	$842,718	$878,861

Exchangeable Preferred Stock

The Company has 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 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 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. For the years ended December 31, 2000 and 2001, dividends were paid in additional shares of Exchangeable Preferred Stock.

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. 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 Debt Securities), and are effectively subordinate to all debt and liabilities of the Company's subsidiaries (including the 2000 Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK 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.

8 1/4% Convertible Preferred Stock

On November 19, 1999, the Company issued 200,000 shares of its 8 1/4% Cumulative Convertible Redeemable Preferred Stock (the "8 1/4% Convertible Preferred Stock") at a price of $1,000 per share (the liquidation preference per share) to General Electric Capital Corporation ("GECC"). The Company received net proceeds of approximately $191,500,000 (after structuring and underwriting fees of $8,500,000 but before other expenses of the transaction). The net proceeds were used to pay a portion of the purchase price for the GTE joint venture (see Note 2).

GECC is entitled to receive cumulative dividends at the rate of 8 1/4% per annum payable on March 15, June 15, September 15 and December 15 of each year, beginning on December 15, 1999. The Company has the option to pay dividends in cash or in shares of its common stock having a current market value equal to the stated dividend amount. For the years ended December 31, 2000 and 2001, dividends were paid with 579,000 and 1,400,000 shares of common stock, respectively. GECC also received warrants to purchase 1,000,000 shares of the Company's common stock at an exercise price of $26.875 per share. The warrants will be exercisable, in whole or in part, at any time for a period of five years following the issue date.

The Company is required to redeem all outstanding shares of the 8 1/4% Convertible Preferred Stock on March 31, 2012 at a price equal to the liquidation preference plus accumulated and unpaid dividends. On or after October 1, 2002, the shares are redeemable at the option of the Company, in whole or in part, at a price of 104.125% of the liquidation preference. The redemption price is reduced on an annual basis until October 1, 2005, at which time the shares are redeemable at the liquidation preference. The shares of 8 1/4% Convertible Preferred Stock are convertible, at the option of GECC, in whole or in part at any time, into shares of the Company's common stock at a conversion price of $26.875 per share of common stock.

The Company's obligations with respect to the 8 1/4% Convertible Preferred Stock are subordinate to all indebtedness and the Exchangeable Preferred Stock of the Company, and are effectively subordinate to all debt and liabilities of the Company's subsidiaries. The certificate of designations governing the Convertible Preferred Stock places restrictions on the Company similar to those imposed by the Company's Debt Securities and the Exchangeable Preferred Stock.

6.25% Convertible Preferred Stock

On July 27, 2000, the Company sold shares of its common stock and preferred stock in concurrent underwritten public offerings (the "July 2000 Offerings"). The Company had granted the underwriters for the July 2000 Offerings over-allotment options to purchase additional shares in both offerings. On August 1, 2000, the over-allotment option for the preferred stock offering was exercised in full. As a result, the Company sold a total of 8,050,000 shares of its 6.25% Convertible Preferred Stock at a price of $50.00 per share and received proceeds of $388,412,000 (after underwriting discounts of $14,088,000). The proceeds from the July 2000 Offerings will be used for general corporate purposes. See Note 8.

The holders of the 6.25% Convertible Preferred Stock are entitled to receive cumulative dividends at the rate of 6.25% per annum payable on February 15, May 15, August 15 and November 15 of each year, beginning on November 15, 2000. The Company has the option to pay dividends in cash or in shares of its common stock (valued at 95% of the current market value of the common stock, as defined). For the years ended December 31, 2000 and 2001, dividends were paid with 281,968 and 1,781,764 shares of common stock, respectively. The Company is required to redeem all outstanding shares of the 6.25% Convertible Preferred Stock on August 15, 2012 at a price equal to the liquidation preference plus accumulated and unpaid dividends.

The shares of 6.25% Convertible Preferred Stock are convertible, at the option of the holder, in whole or in part at any time, into shares of the Company's common stock at a conversion price of $36.875 per share of common stock. Beginning on August 15, 2003, under certain circumstances, the Company will have the right to convert the 6.25% Convertible Preferred Stock, in whole or in part, into shares of the Company's common stock at the same conversion price.

The Company's obligations with respect to the 6.25% Convertible Preferred Stock are subordinate to all indebtedness and the Exchangeable Preferred Stock of the Company, and are effectively subordinate to all debt and liabilities of the Company's subsidiaries. The 6.25% Convertible Preferred Stock ranks in parity with the 8 1/4% Convertible Preferred Stock.

8. Stockholders' Equity

Common Stock

On May 12, 1999, the Company sold shares of its common stock and debt securities in concurrent underwritten public offerings (collectively, the "May Offerings") (see Note 4). The Company sold 21,000,000 shares of its common stock at a price of $17.50 per share and received proceeds of $352,800,000 (after underwriting discounts of $14,700,000). The Company had granted the underwriters for the May Offerings an over-allotment option to purchase an additional 3,150,000 shares of the Company's common stock. On May 13, 1999, the underwriters exercised this over-allotment option in full. As a result, the Company received additional proceeds of $52,920,000 (after underwriting discounts of $2,205,000). The proceeds from the May Offerings were used to pay the remaining purchase price for the BellSouth and Powertel transactions, to fund the initial interest payments on the 9% Senior Notes and for general corporate purposes.

On June 15, 1999 the Company sold shares of its common stock to a subsidiary of TdF pursuant to TdF's preemptive rights related to two recent acquisitions. The Company sold 5,395,539 shares at $12.63 per share and 125,066 shares at $13.00 per share. The aggregate proceeds of approximately $69,772,000 were used for general corporate purposes.

On July 20, 1999, the Company sold shares of its common stock to a subsidiary of TdF pursuant to TdF's preemptive rights related to the May Offerings. The Company sold 8,351,791 shares at $16.80 per share. The aggregate proceeds of approximately $140,310,000 were used for general corporate purposes.

On July 5, 2000, TdF and an affiliate of TdF sold their remaining interests in the Company to a third party. In connection with this disposition, the Company issued 17,443,500 shares of its common stock in exchange for TdF's 20% interest in CCUK (see Note 2).

On July 27, 2000, the Company sold shares of its common stock in the July 2000 Offerings (see Note 7). On August 1, 2000, the over-allotment option for the common stock offering was partially exercised. As a result, the Company sold a total of 12,084,200 shares of its common stock at a price of $29.50 per share and received proceeds of $342,225,000 (after underwriting discounts of $14,259,000).

On January 11, 2001, the Company sold shares of its common stock in an underwritten public offering. The Company had granted the underwriters an over-allotment option to purchase additional shares in the offering. On January 12, 2001, the over-allotment option was partially exercised. As a result, the Company sold a total of 13,445,200 shares of its common stock at a price of $26.25 per share and received proceeds of $342,853,000 (after underwriting discounts of $10,084,000). The proceeds from this offering will be used for general corporate purposes.

Class A Common Stock

All of the outstanding shares of the Company's Class A Common Stock were held by an affiliate of TdF. Each share of Class A Common Stock was convertible, at the option of its holder at any time, into one share of Common Stock. The holder of the Class A Common Stock was 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, had the right to elect up to two members of the Company's Board of Directors. The shares of Class A Common Stock also provided certain governance and anti-dilutive rights.

In June 2000, the outstanding shares of the Company's Class A Common Stock held by an affiliate of TdF were converted into 11,340,000 shares of the Company's Common Stock in connection with the sale of a portion of TdF's shares to a third party. Upon conversion of the Class A Common Stock, France Telecom relinquished its governance rights with respect to the Company and its subsidiaries.

Compensation Charges Related to Stock Option Grants and Acquisitions

The Company is recognizing non-cash general and administrative compensation charges related to certain stock options granted to employees and executives prior to its initial public offering of common stock (the "IPO"). Such charges amount to approximately $1,360,000 per year, and will be recognized through the second quarter of 2003.

In July 2000, the Company issued (1) 199,473 shares of its common stock and (2) options to purchase 17,577 shares of its common stock with an exercise price of $.01 per share in connection with an acquisition by CCUK. Such shares and options were deemed to be compensation to the former shareholders of the acquired company (who remained employed by the Company). As a result, CCUK will recognize non-cash general and administrative compensation charges of approximately $8,380,000 over five years.

In September 2000, the Company issued 336,600 shares of its common stock in connection with an acquisition by CCUSA. Of such shares, 170,710 were deemed to be compensation to the former shareholders of the acquired company (who remained employed by the Company). As a result, CCUSA will recognize non-cash general and administrative compensation charges of approximately $5,889,000 over four years.

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 28,000,000 shares of the Company's common stock have been 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 10 years from the date of grant.

Upon consummation of a share exchange agreement with CCUK's shareholders in 1998, the Company adopted each of the various CCUK stock option plans. All outstanding options to purchase shares of CCUK 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 CCUK plans, and these options generally vest over periods of up to three years from the date of grant.

In 2001, the Company adopted the Crown Castle International Corp. 2001 Stock Incentive Plan (the "2001 Stock Incentive Plan"). Up to 8,000,000 shares of the Company's common stock have been reserved for awards granted to certain employees, consultants and non-employee directors of the Company and its subsidiaries or affiliates. These awards will vest over periods to be determined by the Company's Board of Directors, and will have a maximum term of 10 years from the date of the grant.

A summary of awards granted under the various stock option plans is as follows for the years ended December 31, 1999, 2000 and 2001:

	1999		2000		2001	
	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......	16,585,197	$ 7.06	19,226,076	$ 9.89	21,183,816	$14.50
Options granted.........	4,661,649	18.68	4,878,783	28.48	7,269,509	14.76
Options exercised.......	(1,482,066)	5.82	(2,540,569)	5.16	(3,200,901)	5.14
Options forfeited.......	(538,704)	9.17	(380,474)	22.62	(1,379,087)	21.29
Options outstanding at end of year...........	19,226,076	9.89	21,183,816	14.50	23,873,337	15.45
Options exercisable at end of year...........	11,590,217	8.14	13,692,081	10.21	13,569,588	14.06

A summary of options outstanding as of December 31, 2001 is as follows:

Exercise Prices	Number of Options Outstanding	Weighted-Average Remaining Contractual Life	Number of Options Exercisable
$-0-to $1.60............................	227,252	4.2 years	211,194
2.31 to 3.90............................	1,089,686	5.1 years	1,089,686
4.01 to 5.97............................	613,314	4.4 years	613,314
7.50 to 7.77............................	3,660,250	6.4 years	3,253,981
8.50 to 10.00...........................	4,148,100	9.8 years	--
10.04 to 12.50..........................	459,500	8.5 years	163,500
13.00...................................	2,725,000	6.7 years	2,725,000
13.40 to 17.63..........................	1,607,500	6.6 years	720,400
18.00 to 19.99..........................	1,897,539	7.3 years	1,563,939
20.06 to 22.56..........................	1,889,228	7.7 years	1,431,861
22.69 to 25.63..........................	2,186,203	8.5 years	495,085
26.19 to 29.50..........................	1,539,542	6.2 years	529,480
29.88 to 31.88..........................	1,376,547	8.2 years	636,040
32.09 to 39.75..........................	453,676	8.3 years	136,108
	23,873,337		13,569,588

The weighted-average fair value of options granted during the years ended December 31, 1999, 2000 and 2001 was $6.76, $11.39, 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:

	Years Ended December 31,		
	1999	2000	2001
Risk-free interest rate.......................	5.41%	6.37%	4.22%
Expected life.................................	4.9 years	5.0 years	4.5 years
Expected volatility...........................	30%	30%	30%
Expected dividend yield.......................	0%	0%	0%

In 2000, CCAL adopted the Crown Castle Australia Holdings Pty Ltd. Director and Employee Share Option Scheme (the "CCAL Share Option Scheme"). Under this plan, CCAL may award options for the purchase of CCAL shares to its employees and directors. These options generally vest over periods of up to five years from the date of grant (as determined by CCAL's Board of Directors) and have a maximum term of seven years from the date of grant. In 2000 and 2001, CCAL granted 3,218,000 and 2,029,062 options, respectively, with an exercise price of Australian $1.00 per share (approximately $0.51). Options forfeited during 2001 amounted to 738,000. At December 31, 2001, there were 4,509,062 options outstanding, of which 680,000 were exercisable. The estimated fair value of options granted was approximately $0.14 and $0.17 per share in 2000 and 2001, respectively, based on the Black-Scholes option pricing model using the following weighted-average assumptions: (1) a risk-free interest rate of 5.88% and 4.49% in 2000 and 2001, respectively, (2) an expected life of 5.0 years and 4.7 years in 2000 and 2001, respectively, (3) an expected volatility of 30% and (4) an expected dividend yield of 0%.

The exercise prices for the substantial portion of the options granted during the years ended December 31, 1999, 2000 and 2001 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 the substantial portion of the stock options granted during those years (see Note 1 and "Compensation Charges Related to Stock Option Grants and Acquisitions"). 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, 1999, 2000 and 2001 would have been $113,633,000 ($1.08 per share), $226,997,000 ($1.60 per share) and $395,916,000 ($2.22 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, 2001, the Company had the following shares reserved for future issuance:

Common Stock:	
Convertible Preferred Stock	18,357,114
Stock option plans	32,589,140
Warrants	1,639,990
	52,586,244

9. Employee Benefit Plans

The Company and its subsidiaries have various defined contribution savings plans covering substantially all employees. Employees may elect to contribute a portion of their eligible compensation, subject to limits imposed by the various plans. Certain of the plans provide for partial matching of such contributions. The cost to the Company for these plans amounted to $836,000, $1,951,000 and $3,678,000 for the years ended December 31, 1999, 2000 and 2001, respectively.

CCUK 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 years ended December 31, 1999, 2000 and 2001 was $3,592,000, $2,516,000 and $2,362,000, respectively. As of December 31, 2000 and 2001, (1) the projected benefit obligation amounted to $21,505,000 and $28,970,000, respectively; (2) the fair value of the plan's assets amounted to $23,599,000 and $23,240,000, respectively; and (3) the prepaid pension cost attributable to this plan amounted to $1,825,000 and $2,181,000, respectively.

10. Related Party Transactions

Included in other receivables at December 31, 2000 and 2001 are amounts due from employees of the Company totaling $342,000 and $416,000, respectively.

For the years ended December 31, 1999, 2000 and 2001, Crown Atlantic had revenues from Verizon Communications of $29,113,000, $44,053,000 and $43,988,000, respectively. For the years ended December 31, 2000 and 2001, Crown Castle GT had revenues from Verizon Communications of $46,163,000 and $61,793,000, respectively. Verizon Communications is the Company's joint venture partner in both Crown Atlantic and Crown Castle GT (see Note 2).

11. Commitments and Contingencies

At December 31, 2001, minimum rental commitments under operating leases are as follows: years ending December 31, 2002--$118,372,000; 2003--$103,836,000; 2004--$95,364,000; 2005--$87,091,000; 2006--$76,078,000; thereafter--$393,372,000. Rental expense for operating leases was $47,300,000, $92,101,000 and $96,113,000 for the years ended December 31, 1999, 2000 and 2001, respectively.

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position or results of operations.

12. Operating Segments and Concentrations of Credit Risk

Operating Segments

The Company's reportable operating segments for 2000 and 2001 are (1) the domestic operations other than Crown Atlantic ("CCUSA"), (2) the Australian operations of CCAL for periods subsequent to the purchase date (see Note 2), (3) the United Kingdom operations of CCUK, and (4) the operations of Crown Atlantic. 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 and organizational lines. See Note 1 for a description of the primary revenue sources from these segments.

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, non-cash general and administrative compensation charges, asset write-down charges and restructuring 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 CCUSA, CCAL, CCUK and Crown Atlantic. The results of operations and financial position for CCUK and CCAL 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, 2001					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$ 270,113	$ 18,341	$ 205,523	$ 81,984	$ --	$ 575,961
Network services and other	253,674	1,649	32,193	35,474	--	322,990
	523,787	19,990	237,716	117,458	--	898,951
Costs of operations (exclusive of depreciation and amortization)	280,519	8,186	124,329	54,199	--	467,233
General and administrative	61,108	6,255	11,365	8,169	15,642	102,539
Corporate development	--	--	48	--	12,289	12,337
EBITDA	182,160	5,549	101,974	55,090	(27,931)	316,842
Restructuring charges	7,142	--	1,839	969	9,466	19,416
Asset write-down charges	6,501	--	11,898	767	5,756	24,922
Non-cash general and administrative compensation charges	2,127	--	2,624	--	1,361	6,112
Depreciation and amortization	177,999	11,091	93,453	44,277	1,671	328,491
Operating income (loss)	(11,609)	(5,542)	(7,840)	9,077	(46,185)	(62,099)
Interest and other income (expense)	1,378	403	5,373	309	1,085	8,548
Interest expense and amortization of deferred financing costs	(53,293)	(2,442)	(26,678)	(20,651)	(194,380)	(297,444)
Provision for income taxes	(33)	(432)	(16,013)	--	--	(16,478)
Minority interests	(316)	3,149	--	(1,527)	--	1,306
Net loss	$ (63,873)	$ (4,864)	$ (45,158)	$(12,792)	$(239,480)	$ (366,167)
Capital expenditures	$ 363,825	$ 2,283	$ 218,971	$ 94,194	$ 3,829	$ 683,102
Total assets (at year end)	$3,534,495	$257,492	$1,793,746	$886,126	$ 903,599	$7,375,458

	Year Ended December 31, 2000					
	CCUSA	CCAL	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$ 183,475	$ 6,810	$ 192,211	$ 63,543	$ --	$ 446,039
Network services and other	145,694	--	25,463	31,936	33	203,126
	329,169	6,810	217,674	95,479	33	649,165
Costs of operations (exclusive of depreciation and amortization)	159,827	3,578	106,448	44,698	49	314,600
General and administrative	49,731	4,444	8,072	8,446	6,251	76,944
Corporate development	--	--	783	--	9,706	10,489
EBITDA	119,611	(1,212)	102,371	42,335	(15,973)	247,132
Non-cash general and administrative compensation charges	792	--	974	--	1,361	3,127
Depreciation and amortization	121,667	5,219	77,190	33,402	1,318	238,796
Operating income (loss)	(2,848)	(6,431)	24,207	8,933	(18,652)	5,209
Interest and other income (expense)	4,183	185	322	914	28,157	33,761
Interest expense and amortization of deferred financing costs	(42,981)	(135)	(31,963)	(17,884)	(148,331)	(241,294)
Provision for income taxes	(97)	--	(21)	(128)	--	(246)
Minority interests	553	3,280	(2,333)	(2,221)	--	(721)
Extraordinary item	(1,495)	--	--	--	--	(1,495)
Net loss	$ (42,685)	$ (3,101)	$ (9,788)	$(10,386)	$(138,826)	$ (204,786)
Capital expenditures	$ 422,360	$ 1,708	$ 102,372	$ 99,127	$ 10,939	$ 636,506
Total assets (at year end)	$3,310,475	$151,437	$1,559,558	$822,365	$ 558,050	$6,401,885

	Year Ended December 31, 1999				
	CCUSA	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)				
Net revenues:					
Site rental and broadcast transmission	$ 58,293	$171,981	$37,620	$ --	$267,894
Network services and other	44,413	21,713	10,268	1,471	77,865
	102,706	193,694	47,888	1,471	345,759
Costs of operations (exclusive of depreciation and amortization)	41,648	93,058	20,953	1,089	156,748
General and administrative	27,988	5,625	5,146	5,064	43,823
Corporate development	--	819	--	4,584	5,403
EBITDA	33,070	94,192	21,789	(9,266)	139,785
Restructuring charges	5,645	--	--	--	5,645
Non-cash general and administrative					

compensation charges...	67	769	--	1,337	2,173
Depreciation and amortization...........	41,174	63,597	24,155	1,180	130,106
Operating income (loss).................	(13,816)	29,826	(2,366)	(11,783)	1,861
Interest and other income (expense).......	(155)	377	4,577	12,932	17,731
Interest expense and amortization of deferred financing costs..................	(4,119)	(28,334)	(12,233)	(66,222)	(110,908)
Provision for income taxes..................	(56)	--	--	(219)	(275)
Minority interests......	--	(3,835)	1,079	--	(2,756)
Cumulative effect of change in accounting principle for costs of start-up activities....	(2,014)	--	--	(400)	(2,414)
Net loss................	$(20,160)	$ (1,966)	$(8,943)	$(65,692)	$(96,761)
Capital expenditures....	$118,961	$150,562	$23,287	$ 991	$293,801

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, 1999	2000	2001
	(In thousands of dollars)		
United States	$147,679	$419,392	$632,779
Puerto Rico	2,915	5,256	8,466
Total domestic operations	150,594	424,648	641,245
Australia	--	6,810	19,990
United Kingdom	193,655	217,570	237,616
Other foreign countries	1,510	137	100
Total for all foreign countries	195,165	224,517	257,706
	$345,759	$649,165	$898,951

A summary of long-lived assets by country of location is as follows:

December 31, 2000	United States and Puerto Rico	Australia	United Kingdom	Other Foreign Countries	Total Foreign Countries	Consolidated Total
	(In thousands of dollars)					
Property and equipment, net	$3,631,125	$126,584	$ 544,376	$ 952	$ 671,912	$4,303,037
Other long-lived assets, net	474,632	10,141	870,414	9,483	890,038	1,364,670
	$4,105,757	$136,725	$1,414,790	$10,435	$1,561,950	$5,667,707

December 31, 2001	United States and Puerto Rico	Australia	United Kingdom	Other Foreign Countries	Total Foreign Countries	Consolidated Total
	(In thousands of dollars)					
Property and equipment, net	$3,909,100	$231,261	$ 704,551	$ --	$ 935,812	$4,844,912
Other long-lived assets, net	484,269	957	822,304	6,955	830,216	1,314,485
	$4,393,369	$232,218	$1,526,855	$6,955	$1,766,028	$6,159,397

Major Customers

For the year ended December 31, 1999, CCUSA had revenues from a single customer amounting to $16,872,000. During 2000, a merger took place between two customers of CCUSA and Crown Atlantic; revenues from these two customers aggregated $99,070,000 and $128,493,000 for the years ended December 31, 2000 and 2001, respectively. For the years ended December 31, 1999, 2000, and 2001, consolidated net revenues include $97,520,000, $96,083,000 and $93,698,000, respectively, from a single customer of CCUK.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, investments 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 (including the United Kingdom and various regions in the United States). The Company mitigates its concentrations of credit risk with respect to trade receivables by actively monitoring the creditworthiness of its customers.

13. Restructuring Charges and Asset Write-Down Charges

In connection with the formation of Crown Atlantic (see Note 2), the Company completed a restructuring of its United States operations during the first quarter of 1999. The objective of this restructuring was to transition from a centralized organization to a regionally-based organization in the United States. Coincident with the restructuring, the Company incurred one-time charges of $1,814,000 related to severance payments for staff reductions, as well as costs related to non-cancelable leases of excess office space. At December 31, 2000 and 2001, other accrued liabilities includes $171,000 and $-0-, respectively, related to these charges.

The Company completed a restructuring of the operations of its subsidiary, TeleStructures, Inc., in December 1999. The objective of this restructuring was to reduce the size of the TeleStructures, Inc. staff to a level which could be justified by its operating volume. In connection with this restructuring, the Company incurred one-time charges totaling $3,831,000 related to severance payments for the staff reductions, the recognition of an impairment loss for the remaining goodwill from the acquisition and other related costs. At December 31, 2000 and 2001, other accrued liabilities includes $317,000 and $-0-, respectively, related to these charges.

In July 2001, the Company announced a restructuring of its business in order to increase operational efficiency and better align costs with anticipated revenues. As part of the restructuring, the Company reduced its global staff by approximately 312 full-time employees, closed five offices in the United States and closed its development offices in Brazil and Europe. The actions taken for the restructuring were substantially completed as of the end of 2001. In connection with the restructuring, the Company recorded non-recurring cash charges of $19,416,000 during 2001 related to employee severance payments and costs of office closures. At December 31, 2001, other accrued liabilities includes $6,591,000 related to these charges.

The Company has recorded asset write-down charges of $24,922,000 during 2001 in connection with the restructuring of its business announced in July 2001. Such non-cash charges related to the write-down of certain inventories, property and equipment, and other assets.

14. Quarterly Financial Information (Unaudited)

Summary quarterly financial information for the years ended December 31, 2000 and 2001 is as follows:

	Three Months Ended			
	March 31	June 30	September 30	December 31
	(In thousands of dollars, except per share amounts)			
2000:				
Net revenues	$124,244	$148,359	$ 174,589	$ 201,973
Operating income (loss)	5,549	1,175	2,391	(3,906)
Loss before extraordinary item	(32,060)	(59,230)	(52,965)	(59,036)
Extraordinary item	(1,495)	--	--	--
Net loss	(33,555)	(59,230)	(52,965)	(59,036)
Per common share--basic and diluted:				
Loss before extraordinary item	(0.27)	(0.43)	(0.36)	(0.40)
Extraordinary item	(0.01)	--	--	--
Net loss	(0.28)	(0.43)	(0.36)	(0.40)
2001:				
Net revenues	$212,953	$229,416	$ 218,396	$ 238,186
Operating income (loss)	(5,076)	(16,321)	(18,302)	(22,400)
Net loss	(68,055)	(84,733)	(110,330)	(103,049)
Per common share--basic and diluted:				
Net loss	(0.41)	(0.49)	(0.60)	(0.57)

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required to be furnished pursuant to this item will be set forth in the 2002 Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation

The information required to be furnished pursuant to this item will be set forth in the 2002 Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required to be furnished pursuant to this item will be set forth in the 2002 Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information required to be furnished pursuant to this item will be set forth in the 2002 Proxy Statement and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a)(1) Financial Statements:

The list of financial statements filed as part of this report is submitted as a separate section, the index to which is located on page 56.

(a)(2) Financial Statement Schedules:

Schedule I--Condensed Financial Information of Registrant and Schedule II--Valuation and Qualifying Accounts follow this Part IV. 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 Form 10-K.

(a)(3) Exhibits:

The Exhibits listed on the accompanying Index to Exhibits are filed as part of this Annual Report on Form 10-K.

(b) Reports on Form 8-K:

None.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Crown Castle International Corp.:

Under date of February 28, 2002, we reported on the consolidated balance sheets of Crown Castle International Corp. and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' equity for each of the years in the three-year period ended December 31, 2001 as contained in the annual report on Form 10-K for the year ended 2001. The audit report covering the December 31, 2001 financial statements refers to a change in the method of accounting for derivative instruments and hedging activities in 2001. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedules as listed under Item 14.(a)(2). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG LLP

Houston, Texas
February 28, 2002

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

BALANCE SHEET (Unconsolidated)

(In thousands of dollars, except share amounts)

	December 31, 2000	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 252,365	$ 211,651
Receivables and other current assets	5,345	3,121
Short-term investments	38,000	72,963
Total current assets	295,710	287,735
Property and equipment, net of accumulated depreciation of $3,275 and $4,349 at December 31, 2000 and 2001, respectively	3,920	2,757
Investments	137,000	128,500
Investment in and net advances to subsidiaries	4,353,764	4,873,891
Deferred financing costs and other assets, net of accumulated amortization of $6,535 and $11,994 at December 31, 2000 and 2001, respectively	57,324	82,198
	$4,847,718	$5,375,081
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 6,609	$ 10,982
Accrued interest	34,594	46,944
Total current liabilities	41,203	57,926
Long-term debt	1,542,935	2,073,646
Total liabilities	1,584,138	2,131,572
Redeemable preferred stock	842,718	878,861
Stockholders' equity:		
Common stock, $.01 par value; 690,000,000 shares authorized; shares issued: December 31, 2000--198,912,094 and December 31, 2001--218,804,363	1,989	2,188
Additional paid-in capital	2,894,095	3,301,023
Accumulated other comprehensive loss	(25,100)	(43,246)
Accumulated deficit	(450,122)	(895,317)
Total stockholders' equity	2,420,862	2,364,648
	$4,847,718	$5,375,081

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,		
	1999	2000	2001
Interest and other income (expense)..........	$ 12,852	$ 28,216	$ (862)
General and administrative expenses..........	(5,002)	(6,234)	(15,370)
Corporate development expenses..............	(4,579)	(7,841)	(7,950)
Restructuring charges.......................	--	--	(7,908)
Asset write-down charges....................	--	--	(3,067)
Non-cash general and administrative compensation charges.......................	(1,337)	(1,361)	(1,361)
Depreciation and amortization...............	(1,178)	(1,238)	(1,254)
Interest expense and amortization of deferred financing costs............................	(66,222)	(148,331)	(194,380)
Loss before income taxes, equity in earnings (losses) of subsidiaries and cumulative effect of change in accounting principle....	(65,466)	(136,789)	(232,152)
Equity in earnings (losses) of subsidiaries..	(30,985)	(67,997)	(134,015)
Loss before cumulative effect of change in accounting principle.......................	(96,451)	(204,786)	(366,167)
Cumulative effect of change in accounting principle for costs of start-up activities..	(310)	--	--
Net loss....................................	(96,761)	(204,786)	(366,167)
Dividends on preferred stock................	(28,881)	(59,469)	(79,028)
Net loss after deduction of dividends on preferred stock............................	$(125,642)	$(264,255)	$(445,195)

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,		
	1999	2000	2001
Cash flows from operating activities:			
Net loss	$ (96,761)	$ (204,786)	$(366,167)
Adjustments to reconcile net loss to net cash used for operating activities:			
Equity in losses of subsidiaries	30,985	67,997	134,015
Amortization of deferred financing costs and discounts on long-term debt	46,703	76,764	86,164
Asset write-down charges	--	--	3,067
Non-cash general and administrative compensation charges	1,337	1,361	1,361
Depreciation and amortization	1,178	1,238	1,254
Cumulative effect of change in accounting principle	310	--	--
Increase in accrued interest	6,907	27,687	12,350
Decrease (increase) in receivables and other assets	(10,052)	4,441	8,721
Increase (decrease) in accounts payable and other accrued liabilities	2,273	(874)	4,373
Net cash used for operating activities	(17,120)	(26,172)	(114,862)
Cash flows from investing activities:			
Sale of investments	--	--	311,000
Net advances to subsidiaries	(84,309)	(181,611)	(421,980)
Purchase of investments	--	(175,000)	(337,463)
Investment in subsidiaries	(930,082)	(1,071,433)	(245,634)
Sale of (investments in) affiliates	739	(2,488)	(30,067)
Capital expenditures	(963)	(1,158)	(593)
Escrow deposit for acquisition	(50,000)	--	--
Net cash used for investing activities	(1,064,615)	(1,431,690)	(724,737)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	757,206	500,000	450,000
Proceeds from issuance of capital stock	805,771	743,290	358,207
Incurrence of financing costs	(28,025)	(22,949)	(9,322)
Dividends on preferred stock	(1,238)	--	--
Net cash provided by financing activities	1,533,714	1,220,341	798,885
Net increase (decrease) in cash and cash equivalents	451,979	(237,521)	(40,714)
Cash and cash equivalents at beginning of year	37,907	489,886	252,365
Cash and cash equivalents at end of year	$ 489,886	$ 252,365	$ 211,651
Supplementary schedule of non-cash investing and financing activities:			
Issuance of common stock in connection with acquisitions	$ 397,710	$ 707,389	$ 1,807
Supplemental disclosure of cash flow information:			
Interest paid	$ 12,612	$ 43,878	$ 95,848
Income taxes paid	--	--	--

See notes to consolidated financial statements and accompanying notes.

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT--(Continued)

NOTES TO FINANCIAL STATEMENTS (Unconsolidated)

1. Investment in and Net Advances to 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 2000 Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. Under the 2000 Credit Facility, the amount of such dividends is generally limited to (1) $17,500,000 per year; (2) an amount to pay income taxes attributable to CCIC and the borrowers under the 2000 Credit Facility; and (3) an amount to pay interest on certain of CCIC's indebtedness. CCUK and Crown Atlantic are effectively precluded from paying dividends. The restricted net assets of the Company's subsidiaries totaled approximately $3,601,630,000 at December 31, 2001.

2. Long-term Debt

Long-term debt consists of the Company's Debt Securities.

3. Redeemable Preferred Stock

Redeemable preferred stock consists of the Company's Exchangeable Preferred Stock, 8 1/4% Convertible Preferred Stock and 6.25% Convertible Preferred Stock.

4. 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.

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 2000 AND 2001

(In thousands of dollars)

Description	Balance at Beginning of Year	Additions: Amounts Charged to Operating Expenses	Deductions: Amounts Written Off Against Receivables	Effect of Exchange Rate Changes	Balance at End of Year
Allowance for Doubtful Accounts Receivable:					
2000	$ 3,218	$16,781	$(1,230)	$(47)	$18,722
2001	$18,722	$10,542	$(4,446)	$(33)	$24,785

INDEX TO EXHIBITS
Item 14 (a) (3)

Exhibit No.	Description
*2.1	Formation Agreement, dated December 8, 1998, relating to the formation of Crown Atlantic Company LLC, Crown Atlantic Holding Sub LLC, and Crown Atlantic Holding Company LLC
**2.2	Amendment Number 1 to Formation Agreement, dated March 31, 1999, among Crown Castle International Corp., Cellco Partnership, doing business as Bell Atlantic Mobile, certain Transferring Partnerships and CCA Investment Corp.
**2.3	Crown Atlantic Company LLC Operating Agreement entered into as of March 31, 1999 by and between Cellco Partnership, doing business as Bell Atlantic Mobile, and Crown Atlantic Holding Sub LLC
***2.4	Agreement to Sublease dated June 1, 1999 by and among BellSouth Mobility Inc., BellSouth Telecommunications Inc., The Transferring Entities, Crown Castle International Corp. and Crown Castle South Inc.
***2.5	Sublease dated June 1, 1999 by and among BellSouth Mobility Inc., Certain BMI Affiliates, Crown Castle International Corp. and Crown Castle South Inc.
++2.6	Agreement to Sublease dated August 1, 1999 by and among BellSouth Personal Communications, Inc., BellSouth Carolinas PCS, L.P., Crown Castle International Corp. and Crown Castle South Inc.
++2.7	Sublease dated August 1, 1999 by and among BellSouth Personal Communications, Inc., BellSouth Carolinas PCS, L.P., Crown Castle International Corp. and Crown Castle South Inc.
****2.8	Formation Agreement dated November 7, 1999 relating to the formation of Crown Castle GT Company LLC, Crown Castle GT Holding Sub LLC, and Crown Castle GT Holding Company LLC
****2.9	Letter Agreement dated November 7, 1999 between GTE Wireless Incorporated and Crown Castle International Corp.
++2.10	Operating Agreement, dated January 31, 2000, by and between Crown Castle GT Corp. and affiliates of GTE Wireless Incorporated
###3.1	Restated Certificate of Incorporation of Crown Castle International Corp., dated August 21, 1998
###3.2	Amended and Restated By-laws of Crown Castle International Corp., dated August 21, 1998
###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. filed with the Secretary of State of the State of Delaware on December 18, 1998
*****3.4	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series A and Series B Cumulative Convertible Redeemable Preferred Stock of Crown Castle International Corp. filed with the Secretary of State of the State of Delaware on November 19, 1999
#####3.5	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of 6.25% Cumulative Convertible Redeemable Preferred Stock of Crown Castle International Corp. filed with the Secretary of State of the State of Delaware on August 2, 2000
#4.1	Trust Deed related to (Pounds)125,000,000 9% 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

Exhibit No.	Description
#4.2	First Supplemental Trust Deed related to (Pounds)125,000,000 9% 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
#4.3	Indenture, dated as of November 25, 1997, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 10 5/8% Senior Discount Notes Due 2007 (including exhibits)
#4.4	Article Fourth of Certificate of Incorporation of Castle Tower Holding Corp. (included in Exhibit 3.1)
##4.5	Specimen Certificate of Common Stock
###4.6	Indenture, dated as of December 21, 1998, between Crown Castle International Corp. and the United States Trust Company of New York, as Trustee, relating to the 12 3/4% Senior Subordinated Exchange Debentures Due 2010 (including exhibits)
####4.7	Indenture, dated as of May 17, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 9% Senior Notes Due 20411 (including exhibits)
####4.8	Indenture, dated as of May 17, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 10 3/8% Senior Discount Notes Due 2011 (including exhibits)
***4.9	Registration Rights Agreement dated June 1, 1999 between BellSouth Mobility Inc. and Crown Castle International Corp.
####4.10	Indenture, dated as of August 3, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 9 1/2% Senior Notes Due 2011 (including exhibits)
####4.11	Indenture, dated as of August 3, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 11 1/4% Senior Discount Notes Due 2011 (including exhibits)
*****4.12	Deposit Agreement among Crown Castle International Corp. and the United States Trust Company of New York dated November 19, 1999
*****4.13	Registration Rights Agreement among Crown Castle International Corp., the United States Trust Company of New York and SFG-P INC. dated November 19, 1999
*****4.14	Warrant Agreement between Crown Castle International Corp. and the United States Trust Company of New York dated November 19, 1999
******4.15	Indenture, dated as of June 26, 2000, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 10 3/4% Senior Notes due 2011 (including exhibits)
##10.1	Site Sharing Agreement between National Transcommunications Limited and The British Broadcasting Corporation dated September 10, 1991
##10.2	Transmission Agreement between The British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997
##10.3	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

Exhibit No.	Description
##10.4	Digital Terrestrial Television Transmission Agreement between The British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998
##10.5	Contract between British Telecommunications PLC and Castle Transmission International Inc. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998
##10.6	Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998
##10.7	Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., TeleDiffusion de France International S.A. and TeleDiffusion de France S.A.
**10.8	Global Lease Agreement dated March 31, 1999 between Crown Atlantic Company LLC and Cellco Partnership, doing business as Bell Atlantic Mobile
**10.9	Master Build to Suit Agreement dated March 31, 1999 between Cellco Partnership, doing business as BellAtlantic Mobile, and Crown Atlantic Company LLC
***10.10	Agreement to Build to Suit dated June 1, 1999 by and among BellSouth Mobility Inc., Crown Castle International Corp. and Crown Castle South Inc.
#10.11	Castle Tower Holding Corp. 1995 Stock Option Plan (Third Restatement)
##10.12	Crown Castle International Corp. 1995 Stock Option Plan (Fourth Restatement)
##10.13	Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme dated as of January 23, 1998
##10.14	Rules of the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan
###10.15	Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited
##10.16	Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as of January 23, 1998
##10.17	Deed of Grant of Option between Castle Transmission Series (Holdings) Ltd. and George Reese dated January 23, 1998
##10.18	Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr., dated April 23, 1998
##10.19	Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr., dated January 23, 1998
###10.20	Form of Severance Agreement entered into between Crown Castle International Corp. and John P. Kelly, W. Benjamin Moreland, Robert E. Giles and E. Blake Hawk
#####10.21	Termination Agreement dated as of July 5, 2000, by and between Crown Castle International Corp., Crown Castle UK Holdings Limited, France Telecom S.A., Telediffusion de France S.A., and Transmission Future Networks B.V.
++++10.22	Amended and Restated Rights Agreement dated as of September 18, 2000, between Crown Castle International Corp. and ChaseMellon Shareholder Services L.L.C.
**10.23	Loan Agreement dated as of March 31, 1999 by and among Crown Atlantic HoldCo Sub LLC, as the Borrower, Key Corporate Capital Inc., as Agent, and the Financial Institutions listed therein
++10.24	Amendment to Loan Amendment Agreement, dated June 18, 1999, by and among Castle Transmission International Ltd., Castle Transmission Services (Holdings) Ltd., Millennium Communications Limited and the various banks and lenders listed as parties thereto

Exhibit No.	Description
++10.25	Credit Agreement dated as of March 15, 2000 among Crown Castle Operating Company, Crown Castle International Corp., The Chase Manhattan Bank, Credit Suisse First Boston Corporation, Key Corporate Capital Inc. and The Bank of Nova Scotia, as Agents, and the several Lenders which are parties thereto
++10.26	Amendment to Loan Amendment Agreement dated December 23, 1999 by and among Castle Transmission International, Ltd., Castle Transmission Services (Holdings) Ltd, Millennium Communications Limited and the various banks and lenders listed as parties thereto
11	Statement regarding Computation of Per Share Earnings
12	Computation of Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends
21	Subsidiaries of Crown Castle International Corp.
23	Consent of KPMG LLP

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@ Incorporated by reference to the exhibits in the Registration Statement on Form S-3 previously filed by the Registrant (Registration No. 333-83395).

Incorporated by reference to the exhibits in the Registration Statement on Form S-4 previously filed by the Registrant (Registration No. 333-43873).

Incorporated by reference to the exhibits in the Registration Statement on Form S-1 previously filed by the Registrant (Registration No. 333-57283).

* 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 31, 1999.

Incorporated by reference to the exhibits 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 June 9, 1999.

++ Incorporated by reference to the exhibit previously filed by the Registrant on Form 10-K (Registration No. 000-24737) dated March 30, 2000.

+++ Incorporated by reference to the exhibit previously filed by the Registrant on Form 10-Q (Registration No. 0-24737) dated March 31, 2000.

Incorporated by reference to the exhibits in the Registration Statement on Form S-4 previously filed by the Registrant (Registration No. 333-87765).

**** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated November 7, 1999.

***** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated November 19, 1999.

++++ Incorporated by reference to the exhibit filed by the Registrant in the Registration Statement on Form 8-A12G/A (Registration No. 0-24737) dated September 19, 2000.

****** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated June 26, 2000.

Incorporated by reference to the exhibit previously filed by the Registrant on Form 10-Q (Registration No. 0-24737) dated August 11, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on this 28th day of March, 2002.

Crown Castle International Corp.

By: /s/ W. Benjamin Moreland

W. Benjamin Moreland
Senior Vice President, Chief
Financial Officer and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints W. Benjamin Moreland and Wesley D. Cunningham and each of them, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and re-substitution for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all documents relating to the Annual Report on Form 10-K, including any and all amendments and supplements thereto, for the year ended December 31, 2001 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 as to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons in the capacities indicated below on this 28th day of March, 2002.

Signature	Title
/s/ John P. Kelly John P. Kelly	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ W. Benjamin Moreland W. Benjamin Moreland	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ Wesley D. Cunningham Wesley D. Cunningham	Senior Vice President, Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)
/s/ Randall A. Hack Randall A. Hack	Director
/s/ Dale N. Hatfield Dale N. Hatfield	Director

Signature	Title
/s/ Lee W. Hogan Lee W. Hogan	Director
/s/ Edward C. Hutcheson, Jr. Edward C. Hutcheson, Jr.	Director
/s/ David L. Ivy David L. Ivy	Director
/s/ J. Landis Martin J. Landis Martin	Director
/s/ Robert F. McKenzie Robert F. McKenzie	Director
Ted B. Miller, Jr.	Chairman of the Board
/s/ William D. Strittmatter William D. Strittmatter	Director

EXHIBIT 11

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF NET LOSS
PER COMMON SHARE
(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,				
	1997	1998	1999	2000	2001
Loss before extraordinary item and cumulative effect of change in accounting principle..............	$(11,942)	$(37,775)	$ (94,347)	$(203,291)	$(366,167)
Dividends on preferred stock........	(2,199)	(5,411)	(28,881)	(59,469)	(79,028)
Loss before extraordinary item and cumulative effect of change in accounting principle applicable to common stock for basic and diluted computations..............	(14,141)	(43,186)	(123,228)	(262,760)	(445,195)
Extraordinary item..................	--	--	--	(1,495)	--
Cumulative effect of change in accounting principle..............	--	--	(2,414)	--	--
Net loss applicable to common stock for basic and diluted computations..............	$(14,141)	$(43,186)	$(125,642)	$(264,255)	$(445,195)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands).....................	6,238	42,518	131,466	178,588	214,246
Per common share--basic and diluted:					
Loss before extraordinary item and cumulative effect of change in accounting principle............	$ (2.27)	$ (1.02)	$ (0.94)	$ (1.47)	$ (2.08)
Extraordinary item..................	--	--	--	(0.01)	--
Cumulative effect of change in accounting principle..............	--	--	(0.02)	--	--
Net loss.........................	$ (2.27)	$ (1.02)	$ (0.96)	$ (1.48)	$ (2.08)

EXHIBIT 12

CROWN CASTLE INTERNATIONAL CORP.
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND
EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(DOLLARS IN THOUSANDS)

	YEARS ENDED DECEMBER 31,				
	1997	1998	1999	2000	2001
Computation of Earnings:					
Income (loss) before income taxes, minority interests, extraordinary item and cumulative effect of change in accounting principle	$(11,893)	$(35,747)	$(91,316)	$(202,324)	$(350,995)
Add:					
Fixed charges (as computed below)	9,825	32,296	126,675	271,994	329,482
Equity in losses (earnings) of unconsolidated affiliate	1,138	(2,055)	--	--	--
	$ (930)	$ (5,506)	$ 35,359	$ 69,670	$ (21,513)
Computation of Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends:					
Interest expense	$ 7,095	$ 11,179	$ 60,971	$ 160,291	$ 205,691
Amortization of deferred financing costs and discounts on long-term debt	2,159	17,910	49,937	81,003	91,753
Interest component of operating lease expense	571	3,207	15,767	30,700	32,038
Fixed charges	9,825	32,296	126,675	271,994	329,482
Preferred stock dividends	2,199	5,411	28,881	59,469	79,028
Combined fixed charges and preferred stock dividends	$ 12,024	$ 37,707	$155,556	$ 331,463	$ 408,510
Ratio of Earnings to Fixed Charges	--	--	--	--	--
Deficiency of Earnings to Cover Fixed Charges	$ 10,755	$ 37,802	$ 91,316	$ 202,324	$ 350,995
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	--	--	--	--	--
Deficiency of Earnings to Cover Combined Fixed Charges and Preferred Stock Dividends	$ 12,954	$ 43,213	$120,197	$ 261,793	$ 430,023

EXHIBIT 21

CROWN CASTLE INTERNATIONAL CORP. SUBSIDIARIES

Crown Castle Operating Company (f/k/a Crown Castle USA Holdings Company), a Delaware corporation

Crown Communication Inc., a Delaware corporation (d/b/a Crown Communications, CrownCom)

Crown Castle USA Inc. (f/k/a Crown Network Systems, Inc.), a Pennsylvania corporation

Crown Castle PT Inc., a Delaware corporation

CC South Holdco Corp., a Delaware corporation

Crown Castle South LLC, a Delaware limited liability company

Crown Castle GT Corp., a Delaware corporation

Crown Castle GT Holding Company LLC, a Delaware limited liability company

Crown Castle International LLC, a Delaware limited liability company

Crown Castle Australia Holdings Pty Limited, an Australian limited liability company

Crown Castle Australia Pty Ltd (f/k/a CCAL Towers Pty Ltd.), an Australian limited liability company

Crown Castle UK Holding Corp., a Delaware corporation

Crown Castle UK Holdings Limited (f/k/a Castle Transmission Services (Holdings) Ltd.), an England and Wales company (unrestricted)

Crown Castle UK Limited (f/k/a Castle Transmission International Ltd.), an England and Wales company

Crown Castle Investment Corp., a Delaware corporation (unrestricted)

CCA Investment Corp., a Delaware corporation

Crown Castle Atlantic Holding Company LLC, a Delaware limited liability company

CC Castle International LLC, a Delaware limited liability company

EXHIBIT 23

Independent Auditors' Consent

The Board of Directors
Crown Castle International Corp.:

We consent to incorporation by reference in the registration statement (No. 333-67379) on Form S-8, the registration statement (No. 333-94821) on Form S-3, and the registration statement (No. 333-41106) on Form S-3 of Crown Castle International Corp. of our reports dated February 28, 2002, relating to the consolidated balance sheets of Crown Castle International Corp. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations and comprehensive loss, cash flows, and stockholders' equity for each of the years in the three-year period ended December 31, 2001, and all related schedules, which reports appear in the December 31, 2001, annual report on Form 10-K of Crown Castle International Corp. The audit report covering the December 31, 2001 financial statements refers to a change in the method of accounting for derivative instruments and hedging activities in 2001.

KPMG LLP

Houston, Texas
March 28, 2002