

CROWN CASTLE USA INC, #11081606
CROWN CASTLE INTERNATIONAL CORP. 4TH QTR. AND FULL YEAR
2006 EARNINGS CONFERENCE CALL
February 9, 2007, 10:30 AM ET
Chairperson: Ben Moreland

Operator: Good morning ladies and gentlemen and thank you for standing by and welcome to the Crown Castle fourth quarter and full year 2006 results conference call. During today's presentation all parties will be on a listen-only mode. If you have a question anytime during the conference, please press * followed by the 1 on your touchtone phone. If you would like to withdraw your question, please press the * followed by the 2. If you are using speaker equipment, please lift the handset before making your selection. This conference is being recorded today, Friday, February 9th, 2007. I would now like to turn the conference over to Jay Brown, Crown Castle's treasurer, please go ahead, sir.

Jay Brown: Good morning everyone and thank you for joining us as we review our fourth quarter and full year 2006 results. If you have not already done so I would encourage you to go to our website, under the investors section at www.crowncastle.com and download the presentation that we posted last night. We will be discussing this presentation during the call. With me on the call this morning are John Kelly, Crown Castle's chief executive officer and Ben Moreland, Crown Castle's chief financial officer.

This conference call will contain forward looking statements and information based on management's current expectations. Although the company believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurances that such expectations will prove to have been correct. Such forward looking statements are subject to certain risks, uncertainties and assumptions. Information about the potential risk factors that could affect the company's financial results are available in the press release and in the risk factor section of the company's filings with the SEC. Should one or more or other of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. In addition, today's call will include discussions of certain non-GAAP financial measures including adjusted EBITDA, recurring cash flow and recurring cash flow per share. Tables reconciling these non-GAAP financial measures are available again under the investor section of our website. With that, I will turn the call over to Ben.

Ben Moreland: Thanks, Jay and good morning everyone. We have changed the format of this call up somewhat this time just to kick off the year and obviously with the acquisition of Global Signal recently closed. I thought it would be helpful to

review with you, really, the new company as it looks today in the footprint of the assets and our beliefs and thoughts around the year. So I am going to start off with reviewing some of the fourth quarter and full year results for the Legacy Crown Castle Company and then we will move very quickly into the rest of this presentation that John Kelly and I will present.

So just to start off on page 4, site rental revenue for the fourth quarter was \$186.7 million up 20% in the fourth quarter of last year. We had a very good quarter I might add. I am very excited with the results and even though you can't see all the results for Global Signal, they are as yet un-audited; they had a record leasing quarter as well. We know some of you are wondering about how their outcome was, and it was a record leasing quarter for them in the fourth quarter despite all of the integration and distraction of the merger pending.

Full year, site rental revenue for the company was \$696.7 million, up 16.7% compared with 2005. Site rental gross margin was \$130.1 million or up 23.3% compared to fourth quarter of 2005. Full year 2006, site rental gross margin \$484 million, up 21.2% compared with 2005. Adjusted EBITDA growth, \$116.5 million in the fourth quarter, up almost 29% from fourth quarter of 2005 and for the full year, \$427.4 million, 27.6% increase over 2005. All these numbers are well above our long-term expectations.

Recurring cash flow growth, again recurring cash flow being adjusted EBITDA less interest expense and less sustaining CapEx in our company for the fourth quarter was \$67.5 million, up 21.7% from the fourth quarter of 2005. For the full year, it was \$255.8 million, up 36.5% from the full year 2005. Our most important measure we believe, which brings it down to the really, to be a relative measure that matters, recurring cash flow per share growth for the fourth quarter was \$0.34 a share, up 29.5% from last year. For the full year, \$1.23 per share, up 43.5% from \$0.86 last year, and I would add, as we have talked about over the last several quarters that number is even after the diluted effect in borrowing throughout the year in 2006 for our share repurchases. So, we are quite pleased with that result.

With that, some of the formalities dispensed with on the quarter and the year, I am going to turn the call over to John to start with walking us through this presentation. John?

John Kelly: Thanks, Ben. Let me also thank all of you, good morning, thank you for joining us this morning as we are reviewing Crown Castle's fourth quarter 2006 results and our view of the year ahead. As Ben just reviewed our very strong results in the fourth quarter 2006, I continue to be very pleased with how this company performs and in my view a clear demonstration of the fact that this company knows how to execute. Clearly, with the closing on the acquisition of Global Signal on January 12th of this year, it makes it a little more difficult for you to compare our 2007 outlook to our 2006 actual results. That's why Ben indicated

we thought it would be helpful to review with you this morning how we look at the industry and our place in the industry. And it all starts with our continued belief that Crown Castle has very attractive business fundamentals.

If you turn to page 11, the business continues to be characterized by high incremental margins on new revenue; a minimal requirement for sustaining capital expenditures from \$23 million pro-forma the acquisition of Global Signal is expected as annual sustaining capital expenditures. The majority of Crown Castle's outstanding debt is rated investment grade and has a fixed rate coupon. We've indicated before and continue to believe that our long-term goal of 20 to 25 percent annual growth in recurring cash flow per share is in fact sustainable in the years ahead. And we continue to see potential to achieve additional growth and value from complimentary investments. Clearly, believing we have attractive business fundamental is one thing, but if you turn to the next slide you will see our results demonstrate the attractiveness as well. These results on page 12 are for the last nine quarters and they are pro-forma the acquisition of Global Signal. And I would simply suggests the one take away from this slide is that this clearly demonstrates in our view the attractiveness of this business when you look at the consistent growth and site rental revenue and the consistent growth in site rental gross margin. And as Ben did point out, notwithstanding the fact that we are not able to talk about Global fourth quarter per say, they did have a record of leasing and that's something that we find very helpful as we look forward into the new year as well.

So turn to the next page, 13, what is our business now that we've acquired the Global Signal assets? Well, it's still predominantly U.S. with 95% of pro-forma Q4 2006 revenue coming from the U.S. and 4% from our solid business in Australia. Our business is primarily leasing tower space under long-term leases. It's recurring in nature and produces approximately 93% of the revenue, 96% of the gross margin and nearly 100% of the cash flow with approximately 80% of the recurring revenues from investment grade rated tenants, which we will talk about here in a moment. We do offer a complimentary set of services to our customers that facilitate easier co-location on our towers. And the services business that we have exists to help our customers in leasing space on our towers, and what we are finding is that, that need absolutely exists in the marketplace and is the reason why we have continued to be advocates of this particular business.

Turning to the next page, which is the tower map, and this is pro-forma the acquisition and all of our 22,000 U.S. towers plotted on this map; as you look at it, this U.S. tower footprint and listen to the rest of our presentation, I would have you consider one thing: we believe that if you want to maximize your exposure to U.S. wireless growth we are the tower company to own for two reasons. We have the best footprint in the best locations and as you'll learn later, has been reviewed some of the other attributes of our balance sheet, we have, we believe a very efficient capital structure that turns revenue growth into growth in recurring cash flow per share at a higher rate than any other tower company.

So turning to page 15, our tower footprint is the best in the industry, we believe, with 75% of the towers in the top 100 BTA's. Top 100 BTA's, by the way, represents 74% of the U.S. population. That is where wireless companies current and new deploy a higher proportion of their CapEx because that is where the people and subscribers live. We in fact have as many towers in the top 50 markets as our next largest competitor has in the top 100 markets. And we have over 31,000 more towers in the top 100 BTA's than our nearest competitor. With 66% anchored by Verizon, AT&T, the former Cingular or Sprint. This is all very important because not only are these towers in the best locations by virtue of the fact that they are in the top 50 and top 100 BTA's, but they were also towers that were designed for wireless services, which is clearly what is being deployed today.

So as we turn to the next page, 16, we are now the number one tower company in the U.S. based on the number of towers, with little over 22,000 wireless towers. Our 2007 outlook as we have distributed in the press release and then will talk to a little later, some \$1.3 billion in site rental revenue; 76% of that is coming from the big four wireless carriers.

And if you flip to the next page, 17, what you'll see is that we have among our peers in this industry, the highest exposure in the leading U.S. wireless carriers. This chart depicts the big four wireless carriers, the site rental revenue on a per tower basis with Crown Castle approaching \$40,000 per tower, 76% of the site rental revenue as previously indicated, much greater than the other tower companies. In addition to that, it's diversified between those big four wireless carriers; 88% of our revenue comes from wireless telephony and 80% of our revenue is investment grade.

Turning to page 18, we see significant opportunity for growth in the year and years ahead. Carriers are absolutely focused on improving network quality. Those wireless carriers that have already released the results for the year have all mentioned it in their conference calls with you. Network quality correlates directly to customer turn. This is something that has been demonstrated over the years and continues to be proven with some of the highest quality networks realizing the lowest turn. It translates into better economics from a carrier perspective if they continue to focus on network quality, and that's the reason why they talked to you about it on their conference calls. So their continued focus on improving network quality certainly in a great macro dynamic for us in this industry. Couple that with subscriber growth which continues to be the case in the U.S market and then even more importantly the increasing usage, voice minutes of use, and now the ever increasing data usage on these networks. And in addition to that, more and more American consumers are replacing their wire-line phones with wireless exclusively. And then you couple that with the next generation network bills, the AWF auctions that concluded at the end of last year and the number of carriers, which we will talk about, focused on deploying in that particular spectrum. Then Sprint's 4G initiatives, Y-Max builds that are going

around the country; these are all very good drivers of future site demand and our view is that we are best positioned to capture that demand with, as I've indicated before, the most towers in the top 50 and top 100 BTA's and a portfolio comprised primarily of towers acquired from Verizon, AT&T, Sprint and T-Mobile.

Very importantly, we also have very strong relationships with all of the aforementioned wireless carriers as well as Metro-PCS, Leap, Clearwire and other emerging carriers. Something we do on a quarterly basis and take very, very seriously is a customer satisfaction survey. We measure a number of different attributes. We talked about this at prior analyst days and we do that on a quarterly basis so that we are continually monitoring how we are doing in areas such as co-locations, speed to co-locate and a number of other attributes. We measure ourselves against both our prior results and we measure ourselves against our competition. We take it very seriously. I review the results personally with all of the various different effected areas of our company and I am pleased to say that over the years we have emerged as the company, the tower company that is viewed by our customers as the number one tower company to do business with. That is clearly in our view important because it is not just having the most towers in the United States that we think is important. It is ensuring that we have a relationship with our customers that help them as they are otherwise working very hard to ensure that they are building the highest quality wireless networks around the globe. This, in our view, provides us with significant opportunity for increase lease up on the acquired towers. And something I would add, and we'll talk about in a couple of slides, leveraging our proprietary leasing demand tools and the industry leading customer service.

If you turn to page 19, you know, this is a Goldman-Sachs research estimate and others have otherwise provided similar kinds of estimates for the years ahead, as I indicated before network quality and wireless customer turn correlate in the ability to offer new advanced services absolutely correlates to the expenditure on the network; building greater density, augmenting existing sites for these new services and that's the reason why you see that the wireless capital expenditures from the U.S. market perspective in the years ahead are pretty much flat at around \$27 to \$28 billion dollars a year. And that's translating into about 15,000 sites or so per year that are otherwise getting built out, and that is all to satisfy the growth in MOU's and the addition of data services. In addition, the decreasing equipment costs have been allowing for more deployed sites so you could find in subsequent years that additional sites are able to be deployed bringing the densities to the markets required for a high speed data services as the actual costs of the electronics drops which allows the capital expenditures to remain relatively level and flat while yet still deploying yet more sites.

Turning to page 20, you know, our U.S. market; very large population, relatively low wireless penetration despite the fact that we are now in the 70% range. As I've indicated before on prior calls, there are many European countries that are

still over 100% where customers carry two devices. I think you'll see more of that, and I think you do, in fact, see some of that among those of you that are on this call. Where people will have a phone that is otherwise used predominantly for voice and other lighter data services and then carry around a blackberry device or something to that affect for email services. That is a trend that has been experienced in other countries, and that's what would drive more than 100% penetration of the population. So, from a U.S. perspective, there is still relatively low wireless penetration and that there is still room to grow in adding more subscribers. And clearly, as has been exhibited over the prior years, high expected growth in wireless network minutes of use.

Turning to page 21, most recently the FCC conducted auction 66, the AWF spectrum auctions concluded at the end of last year. Some significant dollars were in fact invested in that, this chart depicts the various different wireless carriers that otherwise did successfully acquire new spectrum from an auction 66 and what they invested in that acquisition and some of what their various different strategies are. Some of the emerging carriers, clearly the Metro's and Leap wirelesses are very focused on footprint expansion. They acquired this spectrum to provide them the ability to start serving new markets. Other carriers otherwise acquired spectrum to enhance their broadband strategies, allow them the additional spectrums so that they can deploy the new 3G services without absolutely crushing their ability to offer 2G, 2.5G voice services. And then you have some carriers that otherwise bought spectrum to enhance their 3G platforms for capacity and an additional coverage in some markets. All of that translates into new leasing opportunities for Crown Castle as the year progresses. As we've indicated on prior calls and as is otherwise depicted in our 2007 outlook; we believe that this is going to be a very important driver of new leasing, but there is a lot of the planning that's going on as we sit here today and so it's not necessarily translating into leasing on the current quarter. It's going to be something that is going to otherwise translate into new revenue producing leasing. We believe later in this year, as we conclude the planning stages which we are engaged in with these various different carriers and actually translated into leases that are actually going on the towers at the later part of this year. But this dynamic and the very significant investment that was made in the spectrum clearly is a strong driver of new leasing opportunity going forward because these investments don't pay off unless somebody actually has deployed equipment that is translating into revenue producing services.

We turn the page to 22, I would like to just remind everybody again of the, of the what is now patented exclusive tool that Crown Castle uses, CCI sitesTM. It is a web-based tool that we have spent quite a bit of time on and continue to do such, that stores all the key information on our towers. Much, much more than normal real estate information which any tower company should and more than likely does have; things about tenant leases, ground leases and regulatory information. Our advantage lies in the fact that ours also includes, through continuing evergreen drive testing of our tower footprint, the RF signal strength by carrier, in

addition to demographic data, site readiness, competitive structures; So we are, in effect, able to understand much more about the leasing prospects in both our own portfolio as well as about those portfolios that we look to acquire. And as I mentioned on the call when we announced the Global Signal acquisition, this is something that we did in fact conduct for the Global Signal assets. We do it on every acquisition that we've ever done. We look at those results. We compare them back to what our results would be on a stand alone basis, and we are asking ourselves; is it in fact complimentary to our customers and to our shareholders? We do it in a very empirical way with this proprietary tool and that is what drives us to make the investment decisions that we have been making.

Turn to page 23, it clearly was what also drove us to some very specific decisions around our doubling of our tower count just about tower count increase some 83% with the acquisition of Global Signal; just about doubling our leasing prospects. But, this is a very important consideration, notwithstanding the fact that the tower count increased by 83%; our share count has increased just 40%. Because, as you know, at close we otherwise incorporated a cash consideration component of \$550 million and by virtue of our successful securitization in the fall of last year, we were in a position to also subsequently affect the purchase of \$600 million of what was to be the secondary block by some selling shareholders in Global Signal. Thus, reducing the overall increase in share count from what the company was pre-Global Signal to just up 40%; notwithstanding the fact that we increased the tower count some 83% and doubled our leasing prospects. So that is a macro view of the industry and how we sit within the industry. And what I would like to do is turn it over to Ben right now to walk you through our capital allocation strategy and structure of the company's balance sheet.

Ben Moreland: Thanks, John. And as you can tell, we've considered these decisions very carefully and deliberately, and that's on the asset side as well as on the capital structure side. Over the last four years, we have been making very significant investments in our company. We consider these investments purchases of our own company, and since 2003, we have spent over \$2 billion to reduce the share count by approximately 84 million shares. This is consistent with our belief in long-term growth prospects for our business that are grounded in the process of evaluating future leasing opportunities through the drive testing, or as John just described, around our CCI sitesTM initiative.

It is with this information that we then would be comfortable investing some 4.2 times our cumulative recurring cash flow that we have generated since 2003 in our own shares, i.e. in our own towers. You've heard me say that many times. We consider this an investment in towers just as we would an acquisition as we made with Global Signal. The average price over that period was \$24.32 and most recently continue to make those very strong investments in the two large purchases we made around the Global Signal shares; closing the \$550 million in cash and then the block trade here of late, the \$600 million in cash.

We have created this capacity through continuing to grow EBITDA and re-leveraging that EBITDA at approximately 7 times or so with the combined capacity that creates. I would also add that during this period, not shown on this page, we've made investments of approximately \$450 million in tower acquisitions outside of the Global Signal transaction. We believe in this business. We've made a significant bet with significant investments that are designed to maximize recurring cash flow per share over the long-term; very consistent with what we've talked about before.

Moving on to page 26, fundamentally, value gets added to this business by capturing future leasing demands. Everybody understands that. We believe we are best positioned to capture that future leasing demand as a company and in part because of the asset quality and footprint John described, but also in part by the way we have capitalized the business as demonstrated on this page. In this example, we lay out the impact of adding one additional tenant per tower, or \$18,000 of revenue per tower, to each of the three tower companies. In our case, with only 12,000 shares outstanding per tower, one additional tenant per tower adds approximately \$1.50 per share of recurring cash flow, more than doubling our 2007 outlook of \$1.31 per share due to the capital structure and the way we have leveraged the business efficiently. Similarly, the incremental returns added to the equity as a function of adding this one additional tenant per tower is significantly higher than our peers at approximately at 4.4%.

We have accomplished this by optimizing the capital structure as I mentioned. We have taken full advantage of the opportunity to appropriately leverage our company by employing low cost securitization financing in our capital structure. As a result, today 81% debt on our balance sheet is rated investment grade. Importantly, at an all in cost of 5.9%, including the deferred financing costs and 5.5% on a weight average coupon. Most of that debt, approximately 90%, is fixed rate. Sixty percent of our debt is not subject to interest rate fluctuations until January of 2015; 30% is out until at least 2012. We think this is very important and a prudent way to run a company to minimize the fluctuations on the interest expense, particularly if you are going to run in a leveraged environment.

We believe we've effectively utilized the balance sheet to maximize the growth opportunities and that will remain unchanged. You should expect that we will continue to behave that way. This capital structure results in approximately 2 times EBITDA interest coverage with the largely fixed rate debt as I mentioned. This, we believe, is a very comfortable range and provides the opportunity to gain the benefit of the enhanced returns and growth rates to the recurring cash flow per share that reasonable leverage provides.

Moving on to page 28, just a capitalization summary in some detail. Again, with the Global Signal balance sheet now on board, going forward into 2007, I would highlight just the coupons on the securitization debt. I mentioned the overall weighted average coupon is about 5.5% and two times interest coverage at about

8.5 times net debt to annualized EBITDA. I will mention that we are at a self imposed limit on EBITDA interest coverage. We do view two times as sort of a bright line in our environment. We do that out of conservatism, not out of any empirical data. Obviously, we have very long-term contracts on the revenue side and with fixed rate interest exposure we are very comfortable at that level. But you should expect that over time as EBITDA grows, we will likely de-leverage over time. We felt it was very important to take advantage of these two opportunities here of late around the Global Signal acquisition to not issue shares at this level.

Moving on to page 29, let's talk about recurring cash flow per share. All of the work we do on the operating and financing sides of the business are focused on growing long-term recurring cash flow per share. We do that by growing revenue and reducing interest coupons and reinvesting appropriately. Since 2001, site rental revenues have increased 98% on almost largely the very same tower foot. These numbers are actually before Global Signal, so this would be 2006 only and backward. Site rental gross margin is up 140%, and the average interest coupon is down to 5.5% as I mentioned from 9% in 2001. It's the combination of these factors and the ability to reinvest that make us continue to believe that we can achieve our long-term growth rate, recurring cash flow per share of 20% to 25%. When you make the kind of investments that we've made in the short-term, we suffer from dilution in this measure which we can talk about on the next page.

In 2006, we grew 43%. You can see from the guidance it's much smaller than that in 2007 and there is a reason for that; a very deliberate reason. Looking at page 30, as we reported the \$1.23 recurring cash flow per share for 2006, the operational growth from our expected lease up in the business would have driven \$0.31 of growth or about 25% growth, the top end of our expectations. Very deliberate actions around borrowing \$1.150 billion to shrink the share count by approximately 33 million shares. Again, that's the closing \$550 million and the secondary trade we just did; will have a short term diluted impact of approximately \$0.23 per share on this measure resulting in the \$1.31 that is in our guidance today. But we've remained committed to decisions that management believes will maximize the long-term recurring cash flow per share. Near-term dilution in favor of enhanced long-term growth rates is fine with us. Our decisions are based upon our long-term outlook for site rental revenue and adjusted EBITDA growth and we get to that confidence as John was describing earlier around the work we do evaluating our own assets.

Putting that another way, our belief that we can continue to grow recurring cash flow per share 20% to 25% per year over the long-term is clearly accredited when compared to interest expense on the incremental debt.

Moving on to page 31, what drives our confidence in the long-term recurring cash flow per share; well really, its three components. It's obviously the base from which we start; the \$1.23 we delivered in 2006. It's the measured demand that we

see around the sites that we own; that's both the Crown Castle sites and the Legacy Global Signal sites all as one large portfolio which we seek to optimize. That measured demand today suggests about 1.25 tenants per tower of measured need just on the existing voice networks that are out there today. If you translated that into revenue, and then on into recurring cash flow per share, that would add \$1.70 of recurring cash flow per share to our company. Not suggesting the time frame that all of that need will be ultimately made or met, but that's just the math of how it works out; close to \$3.00 a share if you add it to the current base that we are on today.

What we don't measure. We don't measure and can't measure really the anticipated future demand from additional minutes of use growth, subscriber growth, data usage growth, wire-line replacement; all of the things that we get very excited about and in the business that we are in, in helping our customers accomplish these things, we really don't measure. So that's additives. And you should also expect that we will continue to make appropriate investments with the free cash flow and the leverage capacity that the company generates. That will take the form likely, in the future, just as it has in the past; tower acquisitions, tower builds, stock repurchases and land purchases under our long-term ground leases. All of that adds up to what we believe is future recurring cash flow per share, and we are quite excited about the prospects.

Turning briefly to our 2007 outlook, we just wanted to make a couple of comments. We realize 2006, particularly around the Global Signal numbers for the fourth quarter, are not clear and as yet un-audited. But I will suggest to you that the site rental revenue growth in the full year 2007, and remember because we closed on January 12th, that stub period, impacts revenue about \$15 million. So if you did a full year over year comparison, site rental revenue would be up about 8% year over year. If you do that same comparison at the EBITDA line, again adding about \$10 million to this outlook because of the stub period you would get to approximately a 15% year over year EBITDA growth or approximately \$100 million when you add the stub. For the first quarter, where this all get impacted, the \$15 million on the revenue and the \$10 million on the EBITDA you can see that the adjusted of \$160 to \$167 would on a normalized basis for the full quarter have been approximately \$10 million higher and in the mid \$170's. I will also mention that it is the first quarter, and true to historical form, we are a little bit conservative in how we forecast our service margin and would expect after a terrific fourth quarter that the service margin in the business will actually come down quarter to quarter, and so that will impact the numbers in the short-term in the first quarter. But, obviously, we have a very bullish outlook for that business, particularly as we leverage that business into work around the Global Signal sites going forward a much bigger footprint.

This, moving forward onto page 33, just to sum up here, is a very compelling business model here. I'm not sure this slide has changed in seven years as has been the capital structure in the way we've now been able to more efficiently

translate revenue into free cash flow for recurring cash flow per share. These attributes are very, very important and ones that make us very, very pleased to be in this business and adding value, long-term.

In closing, I would say that we are very pleased with the assets that we have assembled. And when combined with the very deliberate approach we've taken to optimize the capital structure, we believe we are best positioned to translate growth in wireless into shareholder value. With that, we will conclude our formal remarks and be happy to answer any questions.

Operator: Thank you. Ladies and gentlemen we will now begin the question and answer session. As a reminder, if you do have a question please press the * followed by the 1 on your touchtone phone. If you would like to withdraw your question, press the * followed by the 2. If you are using speaker equipment, you will need to lift handset before making your selection. Our first questions comes from Rick Prentiss with Raymond James, please go ahead.

Rick Prentiss: Yeah, good morning guys.

Ben Moreland: Good morning.

John Kelly: Good morning.

Rick Prentiss: Hey, a couple questions for you. First, on the one timers that were in the quarter, I think you mentioned just over \$3 million in the U.S, can you walk us through just kind of the high level? What were those from? Was that Cingular, maybe? Or what was involved in that? And the non-cash adjustments, looks like there was maybe some seasonality in the non-cash revenue expense adjustments?

The second question is, on same tower revenue, what do you see last year in the U.S. versus Australia really on a same tower revenue basis getting at organic growth if you will? And then do you expect any seasonality in '07 as far the same tower revenue growth rate on a quarter by quarter basis?

Ben Moreland: Yeah, Rick, on the one timers without getting into all the detail and you know typically in the fourth quarter you do get into some one-timers; it's a combination of a lot of things. You've got some straight-line adjustments in there. You've got some back fillings. You've got some termination payments. It's a cross section of a lot of things and in our business we've decided because we don't even use the term one-timers because, frankly, it happens a lot of different times across the year. We only try to point it out when it looks like it would otherwise compromise your ability to follow or project into what kind of the run-rate is, that's why we point it out. So, we, you know, there is sort of out of run-rate items that we would highlight for you there.

As we look at same tower revenue growth, the quarter to quarter same tower was 15% and full year 13%, okay. Now those are percentages so you've got to be careful because every year you are coming off a bigger number so those percentages will necessarily decline. But that's what it was on a organic basis as opposed to the 20% quarter to quarter revenue growth and 16% full year revenue growth including the acquisitions, okay. So, you can sort of do the math there and figure that out, but you know, just sort of guessing, that percentage change will come down probably a couple of a hundred basis points a year just because you are coming off a bigger base.

As we look at our leasing prospects for the year, for '07, we are very comfortable with what we see across the full year '07 and maybe, John, you would want to talk a bit or mention it, I think Rick had a question of seasonality, if we see anything there?

John Kelly: I mean, in the seasonality side of the equation, Rick, it's as I indicated before. It's not so much kind of seasonality, it's cycles of new development. And I think what most people expect is that the new development activity will be more back end loaded than front end loaded from these new deployments. Whether or not it's a carriers initial large scale deployment of third generation technology which is clearly the case in T-Mobile's, or it's new systems being built by some of the emerging carriers, Leap and Metro PCS; those will tend to be back end. The activity that we will be seeing in the front end is going to be normal, kind of sustaining CapEx that the wireless carriers need to deploy to ensure that they are not allowing their networks to degrade. So that tends to be what the first part of the year characteristics are going to look like enhanced. And then in the second half of the year by these new things coming online.

Rick Prentiss: Okay. And then with your services business, you guys always seem to have a good crystal ball into looking at what people are thinking about earlier. What are you hearing from Sprint's 4G build out and have they actually started doing any real significant work? Any further discussions with the satellite TV guys thinking of wireless networks? The Sally Communications guys, there has been a lot of buzz in Washington about some new ancillary terrestrial coverage types thoughts out there. What are you seeing from kind of the non-traditional guys that might avail themselves of your services business?

Ben Moreland: Yeah, and Rick you do this to us on these calls and as you know I'm just very, very sensitive to kind of talk about customers on a specific basis because I don't think it's fair to them. They do rely on us to be neutral, third party hosts of infrastructure and they do, in fact, as you point out spend a lot of time with us by virtue of our proprietary tools, CCIsitesTM in planning their network build. And that's because we not only offer certainly all of our site locations but our CCIsitesTM program has all competitive structures in it as well that have ever been marketing to a wireless carrier. So, we are able to basically help them understand kind of what's in the marketplace on a total basis. You know, that said, what I

would just simply indicate is that certainly Sprint has made public comments about what they have planned for 4G and we're facilitating those particular plans with them. I don't think Sprint has come off of their statements suggesting that they're not serious about that deployment and enhancing their network to be able to provide that much more in the way of data capacity. And you know the best that I can say, Rick, is that we are in fact helping them but as far as the specifics of what and how and when, I would leave that to a question to Sprint directly.

Rick Prentiss: Sure. And then just grouping all of those guys as a total maybe, sounds like still some work going on but not much that we should expect to see '07 real activity; maybe looking towards '08 possibly for some of those other items?

Ben Moreland: On all the other AWF stuff, a lot of activity going on right now, but it goes to your earlier point about the services business and CCI sitesTM. You know, it's clearly kind of in the planning stage. So, the question is going to be, kind of, when do the leases get executed and when do they become revenue producing? Leases getting executed could, in fact, start up, you know, in the later part of the first half of the year. Revenue producing, I think consistently indicating it's going to be more in the later part of this year going on into next year. And that's just simply the dynamic of some of what they have to do in clearing some of the incumbents in this spectrum and some of the markets and just the nature of otherwise planning. But I will tell you that there is a very heightened sense of urgency to ensure that the billions that were invested in the spectrum is not left un-invested for long; that they otherwise deploy as fast as they possibly can. I would suggest to you that one of the things that has happened in the industry over the years, and this going on the last nine years or so that I've been with this company, is that things seem to run in some cycles. Whether or not speed of deployment is absolutely the primary consideration or whether or not there is some other characteristic of infrastructure. And I would tell you right now it is speed of deployment. People are looking for the best sites and the ability to get on them as quickly as possible. And so that gives us some confidence about how the year will shape up as we continue on through it.

Rick Prentiss: Great, good luck, guys. Thanks.

Operator: Our next question comes from Anthony Klarman with Deutsche Bank, please go ahead.

Anthony Klarman: Thanks, couple of questions. First, as you look at the sort of margin dilution from the Global Signal acquisition or if you want to make it even more simplistic if you look at the average revenue per tower that you had, sort of, Crown Castle organic versus the pro-forma Crown Castle; did you guys, as you were evaluating the acquisition have any sense in terms of when you would start to expect their portfolio to approximate the metrics of your current portfolio, whether that's from a revenue per tower perspective or a gross margin per tower perspective?

Ben Moreland: Yes, Anthony, we did a lot of work on that and we found that, that was really one of the fundamental drivers of our decision to move forward. We talked about this back in October when we announced it. We didn't spend a lot of time on it today because I find that, frankly, maybe it's not as compelling to some as just the balance sheet work that we've done. But we do find it very compelling is the fact that the typical Global Signal tower had 65% of our Crown Castle gross margin per tower. And that's a function of a lot of things. It's a function primarily of the fact that most of those sites are younger than ours. They have been in the marketplace a shorter period of time. They have less revenue. They also comparatively have higher ground rent expense which brings that margin down. So, as you say, it is dilutive to the margins when you bring them into the total but from a lease up perspective, and you may recall we talked about this on that prior call, it does make a dollar of revenue growth more valuable on a Legacy Global Signal Tower than on our own in terms of growth rate against a 65% run rate of our current margin. But you can see that we found that to be attractive based upon locations of these sites and based upon the work that we did around those towers to determine what would be required to accomplish the co-location demand that we saw there.

Now, I would also speak to a little bit of how they reported their results in 2006 and 2005. It is my view that the market did not completely understand what was going on around leasing in that company. I mentioned that their fourth quarter was a record quarter. When we looked at Global Signal, and you got to the detail, the gross leasing, the gross ads on those towers was comparable to ours. They had, in fact, some straight-line adjustments going on. They had some churn going on that masked the overall results that they were delivering as a company. When you look at just the gross ads, and you look at our future demand profile of what CCISites™ told us we should expect around those towers based upon their locations and you look at, again, their gross ads of what they delivered historically, we got very comfortable that we in fact could enhance the growth rate because the leasing demand would be there and this dynamic I mentioned, that you point out, around the fact that they had comparatively lower margins per tower therefore a dollars worth of revenue growth would go further on their site than on our own. So, that was very important. We didn't talk about it too much this morning, but I think it is a very important dynamic going forward and one reason why we, you know, it takes less leasing, frankly, now in our company to accomplish the same financial result as it did previously.

Anthony Klarman: But still on that point, if you look at what perhaps the street might have been expecting for Crown Castle on a stand alone basis, and you then you lay GSL on top of that, it looks like at least the organic growth from the acquired portfolio will be slower this year than certainly the Crown portfolio. And I guess given the fact that they are newer towers with fewer tenants and sort of less mature, I'm just wondering, are you guys just being conservative on the expectations on how fast you'll be able to kind of change the leasing characteristics of those towers and make them look a lot more like your own?

Ben Moreland: Well, as I've said, their gross ads were comparable to ours. We have owned them not even four weeks, so yeah, forgive us, maybe we're being a little bit conservative. We can, frankly, afford to be. This guidance is 15% up in EBITDA year over year; it's \$100 million. It's \$0.32 per share so we're quite comfortable with that. And you know, you can bet that after probably one to two quarters of really hard integration work, it will take longer than that, but we have a lot of people working very hard to bring that level of asset knowledge and quality up to our own standards so that we can deliver those sites to our customers. So, you know, all of that sort of combines to say we are very, very pleased with that outlook. We think perhaps you could say it's conservative. I'm not sure I'd say that sitting here first of February. And you know, we'll work to accomplish that across the year.

Anthony Klarman: If you, as you look at CapEx and the size of the portfolio you now have in the United States, one of your peers has been in the press a lot about looking at opportunities in, you know, other sort of higher growth markets. Is that something that you would also consider in terms of looking for ways to deploy, you know, capital dollars for incremental growth?

Ben Moreland: Well, I would never rule it out. We've obviously been in other countries before and we're still in Australia. And Australia comparatively continues to grow faster than the U.S. business at the EBITDA line. Now that's a function of coming off of a smaller base primarily. But we still think there is a lot of growth in the U.S. That's why we did the Global Signal transaction. That's why we spent \$1.150 billion buying stock in the last month. And we have made our bed in the U.S. market, and we believe we've leveraged the balance sheet to the point where the investor can now get the benefit of what is already, we think, a very good dynamic wireless market in the U.S. into substantial growth per share line in our company and that's the play. As John said in his remarks, if you want to make an investment, leveraging yourself into wireless growth in the U.S, we think we're the investment to make.

Anthony Klarman: Finally, is there anything else you can provide us with an update with respect to Modeo and the funding status and kind of how you would view that in terms of capital contributions that might be required to be made during the year?

John Kelly: Anthony, as I mentioned on the last call, what we are doing with Modeo is successfully demonstrating the large scale deployment that we have finished up for all intent in purposes in the fourth quarter in New York City. And I'm pleased to say that those that have had an opportunity to use the service are in fact excited about it. We've been able to assemble a nice content line up with companies that are interested in working on a trial basis with us and the trial participants and the experience of people who are otherwise seeing on this, is in fact consistent of what we knew was the case, notwithstanding that this information had been put into the market by some about what DVB-H at 1670 could or could not do. That said, we have also been rather consistent in the message which was that our

largest CapEx spend on this was going to be finished in 2006 because we were finishing New York and the work around additional top 30 markets where we had essentially done land banking on it until such time as we now work with prospective partners that are all being provided with units to use this service and find out for themselves how well it works. Work through the economics of the network build and different models on a retail distribution. It doesn't necessarily have to be wireless carriers. There are many others in the media sector that are otherwise interested in video to handsets. And so, all of the various different players are, as we speak, being provided phones, dual mode phones that are GSM and Modeo video phones, and they'll be experiencing what we've been talking about, and we will be then sitting down and having dialogue with those that are most interested in translating this into a business opportunity for them and for Modeo and we'll be giving you more input on that in subsequent calls. But as far as the major CapEx burn on this, Anthony, that was finished with what we were doing in the fourth quarter and it's just rounding out the last few sites in some of the outside fringes of New York that we are finishing.

Anthony Klarman: Thanks much.

John Kelly: Yep.

Ben Moreland: Thanks, Anthony.

Operator: Our next question comes from Michael Rollins with CitiGroup, please go ahead.

Michael Rollins: Hi, good morning. One follow up question and then one separate question. Just in terms of the follow up, if I go to page 39 and look at the site rental revenue growth, I think it's for Global Signal from December 31st, 2006 to 2005; it looks like a 4.7% year over year growth. And I'm wondering if you can walk us through maybe some of the back of the envelope items, the straight line, and amortization that you referenced that might have been affecting your numbers, maybe some one-timers that could have been in the numbers to understand what that organic growth rate would look like year over year?

And then the second question I had was just more generally speaking on the subject of financial leverage. You talk about your expectations for recurring cash flow growth, how does that fit within your strategy in terms of what is your target leverage? And do you see that moving up over the next couple of years from where it is today? Thanks.

Ben Moreland: Thanks Michael. The answer to your first question is frankly I can't reconcile that for you today on this call and we don't have, you know, audited financial statements out in which to do that. You'll have to trust us when we say, and maybe prove it up over time as we perform and execute on this portfolio. That on a gross ad basis their leasing results were quite comparable to ours. There is absolutely no way I can walk you through, or any of us through all the

FAS 13 straight line adjustments; the churn that impacted them across the balance of the year last year that's largely behind them going forward this year in that portfolio. And so we realize that the GAAP reported numbers, and remember one other point I would mention is the Sprint lease is all straight lined and all co-terminus so that entire sort of 6500 master lease agreement doesn't escalate at all in their numbers. When you try to take GAAP numbers and compare them across the different tower companies, it just gets lost in a hurry. It's, there's a lot of straight line things going on as well as some one-time adjustments. So, frankly, apologies but I just can't do it. What we got comfortable with was with what we saw fundamentally in the gross ads and the location quality that our tool demonstrated to us was there in terms of future demand and perhaps we'll have to leave it at that and suggest to you that only time will tell. We're happy with that. We're fine. We understand that. We've made an investment and we further made an investment in the stock and so we'll have to prove it up over time and we think this guidance that we've got out here today is more than fair in terms of driving growth in value in the company. And obviously to the degree that if we can do more, we certainly will. You know that.

On the leverage point, I do want to talk about that for a minute. We have clearly gone above what we have told you previously with sort of our 5 to 7 times range. Now when we first said that 5 to 7 times EBITDA range, I believe that was close to 3 years ago when we were still in the de-leveraging mode and still financing at, you know, 7.5% was the last high yield deal we did and that still was at a time when we had a bunch of 9% and 10% paper out there. What I'll suggest to you is that the debt to EBITDA measure is not the best measure. It's really interest coverage and that is a fact a function of our long-term recurring contractual revenue we have with customers against the fixed rate exposure that we have on the balance sheet. You have very little volatility in the numerator or denominator in that calculation which makes me very comfortable in and around the 2 times level. So to say it another way that the old 7 times and the new 7 times are really not comparable when you used to finance at 9% larger floating and now you're financing at 5.5% fixed.

But to answer your question specifically, we are at about 2 times debt to EBITDA to interest coverage. I don't expect that we will go beyond 2 times debt interest coverage so I wouldn't expect to see it below 2 times. And it will probably start to improve over time as EBITDA grows. We have no intention of sort of paying down debt. We are very comfortable at these levels. Again because of the character of the revenue and the fixed rate nature of the interest expense. But you'll see it in and around this level and perhaps a little bit lower over time. I would mention to you that on the last securitization that we got done in November, we made substantial progress compared with what we did in May of 2005. You know, fully 7.4 times debt to EBITDA there was rated investment grade and so that is a substantial difference from where we were in May of 2005 and so the rating agencies continue to evaluate our business and continue to improve their view of the quality of the, the credit quality and the lack of default

risk and have raised their traunching and ratings for each traunch in terms of coverages. So it's made a difference in that respect. But you know, just to sum up, I would not expect we would go beyond where we are now. That would not be what we are targeting.

John Kelly: I want to just jump in on one item because I'm afraid that it still could be missed and I don't want investors to otherwise miss this point on a go forward basis. It's in the presentation but I think perhaps notwithstanding the fact that we've talked about it for the last so many years, it is still something that people do not fully grasp or understand. If you look at page 31, since Michael you were referencing the various different pages here, the point that Ben made, the 1.25 tenants of measured demand, it is an important number. That number does not suggest that this 1.25 tenants that we contemplate adding in any, in this year. We don't know exactly how many years it takes to otherwise get 1.25 tenants of the measured need on these towers but the important aspect of that is I believe we are the only tower company that ever expresses this number and it's for a reason. We are the only tower company in our belief, but I think it's certainly fair to say nobody has ever indicated the number like this, that does the rigorous examination through engineering drive tests of our system that determines what the measured need is. And that 1.25 is the new proforma Crown Castle 22,000 plus tower portfolio in the United States. That's not Crown. That's not Global. That is the new proforma Crown tower footprint; 1.25 tenants. That is as you remember what current technologies and current levels of quality by carrier, by city, otherwise demonstrates to us is a need for the specific locations that we have towers. It does not include some of the new things that we've talked about. We haven't gone out and measured AWF's, auction 66 because that would be premature. We don't know exactly how those systems are going to be engineered at this point in time. We're getting a sense of it through the original planning but we don't know exactly. We can't also predict exactly what minutes of use growth will be going forward. And for those reasons we only measure what we do understand carriers are currently engineering their networks to and that's 1.25. And the reason I wanted to jump in and make that point once again, is I think it's something that many investors miss and it's because you don't hear that from any other tower company. But it's an important characteristic that I would suggest people should take a look at when they otherwise evaluate whether or not this is or is not a good investment from their perspective.

Michael Rollins: If you had to ballpark how many years it takes to realize the 1.25, would you venture a guess in terms of the number of years that we should think about?

John Kelly: Yeah, Michael, I think that consistent with the estimates and we've provided one set from Goldman, I think that running at about .2 to a .25 per year is about what you're going to see in terms of the CapEx investment by wireless carriers. So this somewhere, inwards of a 5 to 6 year kind of measured demand opportunity in fulfilling the 1.25. In other words it would take about 5 or 6 years to otherwise run through that measured demand and then of course in subsequent years the

reason why that number is continuously measured by us is because new things are happening in the marketplace with new auctions and new trends in engineering because of miniature data or whatever and that's why we keep measuring it. But at this static level of 1.25, about 5 to 6 years.

Ben Moreland: And Michael, you know that we've talked about this before on other calls. We sensitize that measure quite a bit in our own evaluation of the business and in making investment decisions. We obviously run lots of sensitivities and downsides with various discount rates to make our investment decisions around the stock and how we become comfortable. Back to this sort of, affectionately known as the "what do you have to believe" analysis around buying stock. In our case, this latest one, at almost \$34 a share. It's in our view, it's a much more elongated. The "what do you have to believe" is a much more elongated delivery of that 1.25 or comparatively higher discount rate. So in any event, that's sort of how we do it.

Michael Rollins: Thank you very much.

Ben Moreland: Sure.

John Kelly: Thanks.

Operator: Our next question comes from David Barden with Bank of America's Securities, please go ahead.

David Barden: Hey guys, thanks a lot for having the stamina and to go this far. Two questions. First is there is a lot of good stuff in the back of this slide deck that I don't think we had last night. But, and correct me if I'm reading it wrong, but it looks like the Global Signal EBITDA number here for the fourth quarter was about 55.2 which would be down year over year and down sequentially and you mentioned something earlier about churn and the base and I think it's probably fair to say if Global Signal had reported this number as a stand alone company, there would have been an awful lot of questions about it. So, I was wondering if you could kind of just address what appears to be something having gone somewhat off kilter from what at least we were expecting to happen in the fourth quarter for Global Signal and what you think that means for '07.

And then the second question was, you know, just in terms of how I think there is a perception in 2007 that, you know, Singular's tower demand will be down from last year based on their commentary and Sprint's will be ramping up dramatically, and you guys obviously now have through Global Signal a very large exposure to Sprint; presumably then if you have a lot of Sprint towers already, Sprint's incremental leasing demand will be coming from other tower companies, not necessarily Crown Castle to margin. Could you kind of push back on that a little bit as a thought process for exposure to growth in '07? Thanks a lot.

Ben Moreland: Yeah, David, thanks. That's a great clarification and I'm glad you asked it. Let me first start off by saying these results in the back of this presentation, these are un-audited results and these are Global Signal results not ours. So, we've got to be very careful with that and you've got in the proformas out there in the filings. But the 55 number you backed into is, you're right, and it's not...here's the answer. It was previously the convention that the company used in reporting EBITDA was cash EBITDA. Okay? Not affected for straight line. If you take the straight line, and as a result, the full year on a comparably done basis with our own which we use GAAP EBITDA if you will, meaning affected for straight lining of both revenues and expense; their full year would have been about \$225 million against I think where most of you guys were about \$235 for the full year and that difference is not a lack of performance. The difference is straight lining versus cash. Okay? Straight line GAAP EBITDA was lower. That is the biggest reason why the fourth quarter for that reported metric, if it were reported, were \$55 million of EBITDA there were also and are still pending potentially one-time adjustments that are going on in those numbers. You've got to be very careful with that because it's not audited. It's not finished. Those are preliminary numbers. But that's what is going on there and so it's back to Mike Rollins' question, it's extremely hard for us to walk you through with any specificity what that is, but the biggest reason is because their previously reported convention of cash EBITDA if you will is different than ours. It's not apples to apples. And on an apples to apples basis it would have been about \$225 for the year. Again about \$10 less than you guys were looking at on a cash basis. And we've made the decision, just going forward, and thoughts of I think then some guidance we've seen out of the SEC, that they would prefer us to stay on the GAAP measure if you will of using, you know, the impacted numbers by straight lining of both revenue and grounding expense and so that's how we have historically reported EBITDA and will continue to. We give you in the body the press release and recorder, the impact of straight lining to our numbers. For the whole year the impact on the margin was about \$4.5 million positive. But in any event, that's the best explanation I can give you for that.

John Kelly: And then, David, relative to the second part of the question, Singular down; Sprint up and since we have higher exposure to Sprint now that must mean that we're going to see less of it than somebody else out there in the tower industry. Yeah, Singular down. That's because last year, clearly there was a big push on their UMTS deployment and so the view going into 2007 clearly is that given that they've done a significant portion of that, they're not going to have to do as much and therefore their going to be down. I would suggest to you that Singular remains very focused on ensuring that they're not going to, in any way, shape or form, disrupt the quality improvements that they have made to their networks and they're going to continue to be investing. But it's probably fair to say that the reduced investment as they have indicated in 2007 is in fact going to be the case.

From the Sprint side of the equation, yes, a large expectation for what they are going to do this year, they've indicated it certainly in discussion we've had with

them. But the notion that because we've got a high exposure to them otherwise kind of changes our prospects with them. I would suggest to you is not accurate. What we are finding is that by virtue of our larger exposure to Sprint at this point with the acquisition of Global Signal's towers, we actually have more robust discussions that are taking place with Sprint than we would have had previously because we are that much more important in their mix when they are looking at engineering upgrades to their networks or enhancing or adding to their networks. They are very clearly interested in what that means from the standpoint of Crown Castle because we have so many sites that we lease with them. And so we have increased the level of dialogue that we have with them at different, at higher levels in the organization because we are such an important partner of theirs at this juncture. And I would suggest to you that we are not disappointed with what we see coming out of our discussions with them. When we look at all of our portfolio and all that we have to offer and that includes both upgrading existing facilities that Sprint is on today as well as adding new facilities; we're not disappointed in what we see from that customer.

David Barden: Okay, thanks guys. And just to make Ben's point, you know, kind of making the math work; it does look like there's a \$3 million adjustment from straight line to cash if you go into the first three quarters of the year. So if you make that adjustment in the fourth quarter it does make the numbers look more like they line up with what we were expecting. Thanks a lot.

Ben Moreland: And then there's some audited adjustments as well that we won't bore you with here at the end of the year on their side. Again, not complete yet but in any event, in our view it's all on the go forward so that's what we are focused on.

David Barden: Thanks, guys.

Ben Moreland: Yep.

Operator: Our next questions is from Dave Coleman with RBC Capital Markets, please go ahead.

Dave Coleman: Thank you. Just want to go back to that 1.25 tenants of I guess late demand for the Crown towers. So maybe a year or two ago that number was at .7 to .8 tenants of demand. What's changed during that period to bring it up to 1.25? Is that all Global Signal or the amount of CapEx that the carriers are putting into their networks? I would think that that number wouldn't have increased as much. So, is that all Global Signal accounting for that increase?

John Kelly: Yeah, Dave, I'm not 100% sure the kind of the .7 to .8, but let me help kind of again reconcile this 1.25 and how we otherwise arrived at it. And the fact that the number will change, kind of, year to year because what you are measuring and to the degree that in a prior analyst day presentation we might have otherwise had different numbers out there, and our latest was 1.3 that was out at the last analyst

date. What we are looking at is we go into each system and we're not in any way, shape or form assuming that every carrier is going to engineer their system to the same level of quality as the highest quality network in that work; whoever you want to decide offers that. You know, whether it's a Singular or Verizon, a Sprint, a T-Mobile, whatever; what we are doing is we are going into every city and we are otherwise looking at the combination of coverage and quality of service, a.k.a. a kind of a capacity driven proxy. We're looking at where does that carrier have gaps in their coverage and quality, coverage and capacity such that that particular part of that geography; so if you're looking at a Boston or a D.C. or whatever, that particular area they're going to have to add a site because they are below their average. And if we happen to have a tower site there, clearly that is then an indicated need for a lease on that particular site. And so what modifies the number year over year is, a couple of years back not all carriers otherwise looked at levels of quality in network design in the same way. That's perhaps manifesting itself to some degree today. But you had different view of what appropriate levels of quality in a network were. And so we're constantly out. We refresh the data once a year by city so that what we are able to then do is look at, "Okay, what was a prospective set of leasing opportunities last year?" It can change. It can go up to the degree that the carrier in question that we're measuring is otherwise increasing their quality metric. And so that's why the number does in fact fluctuate. The reason why the number hasn't necessarily gone from what we were originally talking about a couple years ago, 1.3 down to 0.0 or actually if to Michael Rollin's past question, if it's happening at a .2 rate per year we'd be down under 1.0 at this point in time. If all of the things were remaining equal but they don't. What's occurring is there is additional demand attributes in the market that we're constantly refreshing the data with and that's how we get to the 1.25. But your point, Dave, which is very important is, that that 1.25 is across both portfolios and that's how we are looking at it as we go forward. You know, this company is both portfolios and we're not breaking it down with "What would it have been with Crown and what was it with Global?" This company is 22,000 plus towers and there is a measured demand need of 1.25 and that quite frankly drives the recurring cash flow objectives that we've otherwise suggested we can realize 20% to 25% growth in recurring cash flow per share for the foreseeable years.

Dave Barden: And just one question on the Global Signal synergies. You put out a \$15 to \$18 million synergy number. I know it's only been about one month as a combined company, but is there anything you can update us as far as the ability to reach that number of exceed it? And also what are the main areas that would make up that \$15 to \$18 million?

Ben Moreland: Yeah, Dave, I think the number was \$12 to \$15 that we put out.

Dave Barden: Okay.

Ben Moreland: Yeah. \$12 to \$15 and that was a number that we would have expected to realize across the full year so you should expect by the time we get into the second half of the year, you'll see run rates in excess of that on a, you know, quarterly run rates that suggests more than that as we get into the third and fourth quarter. But it's largely, I mean we are adding, you know, people obviously to the core Crown Castle side but not comparatively as many as we had in the prior two companies obviously. And it's somewhat of a different mix. So we are pleased with what we are seeing around the synergies and there will be savings there. It's not why we did the transaction. It's not what we are really focused on getting because as John has talked about, we are very focused on integrating these sites and delivering the speed and the result for the customers around the demand that we see. So, it's really not about in a business like this, that you know, some total will have a thousand people in it with 23,000 towers and \$7 billion dollars worth of assets. It's not really about G&N savings, although we are happy to see them and we'll get some and probably get, you know, maybe the upper end or more than the number we've got out there. As John said, we sort of focus on the consolidated results today and this outlook we have in here today and that's what we have to deliver.

Dave Barden: Great, thank you very much.

Ben Moreland: Sure.

Operator: Our next question is from Vance Edelson with Morgan-Stanley, please go ahead.

Vance Edelson: Thanks a lot and good presentation. Just wanted to dig a little deeper on some of the investment activities starting with the land purchase initiative where I believe you spent about \$12 million. What are the trends there? Is it getting easier or harder to find attractively priced land? And are you getting any more or less interested in purchasing that land? Thanks.

Ben Moreland: Yeah, Vance, we are very interested in new purchasing it and I think we'll continue to see it ramp across the 2007 timeframe. Global Signal already had a pretty well developed group as did we that we are working on enhancing and continuing to make those, what we find, to be very attractive both financial and strategic investments. At the same time, we have, I would say, equally robust effort around just the whole program of just a constant managing of the cycle of executing lease extensions and renewals. So it all sort of goes together and we would expect that you'll see that continue to ramp across this year and as we continue to take advantage of the opportunity to make the attractive investments. We've already got the securitization structure built in so it's very, very efficient from that perspective in terms of how we would finance theoretically these acquisitions of essentially eliminating ground rent payments. And then going forward, you know obviously, it's strategic to continue to strengthen and lengthen the average maturity to ground leases.

Vance Edelson: Okay, great. And you spent about \$20 million on the construction and new sites but I think the number of towers in the portfolio by quarters end was essentially unchanged. So can you just give us an idea as to the timing on when those towers will be ready? How many are being built?

Ben Moreland: Yeah, Vance that is the majority; more than half of that number is the finishing up of the New York network for Modio so that's where that; that's how that gets booked as construction. So it's not new towers. Going forward, build; and as John said that spend is largely behind us, substantially all behind us in 2006. Going forward we hope to ramp into the range of 100 to 200 sites per year and you know, it looks like the total all in-cost on the handful we've built so far, is in and around \$250; between \$250 and \$290 depending upon the asset. And so, you know, 100 of those would cost you \$29 million so that's kind of the program.

Vance Edelson: Okay. And lastly on the network services and other revenue stream, is that likely to climb as a result of the Global Signal acquisition? They weren't really providing a revenue stream break out. But can you start selling your supplemental services at their sites, as such that we should expect that line item to increase?

Ben Moreland: Yeah, I mean, Vance I think two things. One you asked the question, "Can we sell?" I think it's actually turning around the other way. It's not so much do we have to sell, I mean customers are asking us, "Will we provide those services on Global Signal sites?" And so, you know, we're going to continue to be focused on ensuring that the work we do is additive to the customer experience on our site. In other words, makes it easier for them to co-locate. It's not something that we forced them to do. If they've got somebody else they would rather do it with, that's fine from our perspective because we're not willing to do this. We're not chasing the business and otherwise doing it for, you know, negative margin as it were. And in essence this has to be something that does in fact generate for us a cash on cash positive margins and facilitates that co-location. And I think the answer is, "Yes." You know, there will be some more that we will see by virtue of the Global Signal assets because they didn't do that and customers are looking for it.

Vance Edelson: Okay. Thanks for the color.

Ben Moreland: You bet.

Operator: Our next comes from Greg Powell with Wachovia Capital, please go ahead.

Greg Powell: All right everyone, thank you for taking the questions. I just have a quick follow up on your synergies targets. It sounds like of your \$12 to \$15 million annual target that your guidance implies that you'll get about half of that in 2007 with the full impact not hitting until 2008. And then, just looking at the synergies number, looks like about, you're taking out about 30% of Global Signals SG&A.

It looks pretty conservative because you're, because American Tower got about 50% out of Spectra site. So I was wondering if you could just talk about the assumptions behind that.

Ben Moreland: First of all I don't know how you back into the \$7 million or whatever; it's clearly in our forecast it's more like the high end of the range. We gave you the \$12 to \$15 for the year. What you're also seeing in the EBITDA forecast is, as in the previous question Dave asked, you know, or Vance asked, a little bit increase in services business across the full year compared to last year. So that obviously helps at the EBITDA line. But again, back to the other answer I gave, we will see savings. There is no doubt about it. And it could be higher than we have forecasted. But it's not how we run the business focused on it. Again, in our view, we run; we have always run at higher G&N levels comparatively than some of our peers. And we feel like we get paid for that. Remember, the service business pays for a lot of that. The margin coming out of the service business is paying for a lot of that G&N so it's not a drag if you will on reported results. And it's a run rate business and the value gets created on the delta that you create every year in those numbers. And so, we will pick up some savings, undoubtedly it could be, and maybe we hope it will be higher than what we've got out there but you know, in terms of number of people, there will be less and the mix will be less as you would expect in terms of the mix of compensation of the people that we are bringing in as opposed to what was there, among senior members of the Global Signal team. But that's all to be expected and not something that we are really fixated on. That's again, not why we did the transaction.

Greg Powell: Okay. Thank you very much.

Ben Moreland: Thanks, Greg. One more, I think.

John Kelly: Yeah, I think one more question and then we'll let everybody get back to their businesses.

Operator: Our next question comes from Clay Moran with Stanford Group, please go ahead.

Clay Moran: Good morning, thank you. I just have two quick questions. Can you give us an idea of what's included in your guidance in terms of operating expense for Modio for 2007? And then secondly, there was a lot of talk about Global Signal and you mentioned that they had some churn. I assume that because it was higher than your churn. Is that due to a contractual step down in the paging revenue and is there change in the pace in '07 in that churn? Thanks.

Ben Moreland: Yeah, Clay, on the Modio, it's largely the run rate we've talked about before. In fact, entirely the run rate we've talked about before. It's right about \$10 million a year in EBITDA burn if you will, G&A burn. So that is in the forecast and that is consistent with where it was last year and that hasn't changed. And then on the churn, you know, they had churn from the number of different

customers. They had some roll down in paging. They also had some churn from a customer that decommissioned some sites. We've had some as well. You know, in some of our numbers it's not completely unexpected. We have had some Singular churn that we've talked about before. It's, you know, we think in their case it's probably substantially complete. You'll see a little bit more in '07, same with us. We'll see some more in '07 but that's all baked into this outlook that we've got there and we're not otherwise concerned about it.

Clay Moran: Okay, thank you.

Ben Moreland: Okay. Thank you.

John Kelly: Well, with that, I think we need to conclude the Q&A session. We are very happy you joined us and those of you that stayed with us the entire hour, hour and a half of so, we appreciate your interest in the company. We look forward to reporting our results from the first quarter when we will be reporting it as this fully consolidated Crown Castle 22,000 tower company in the U.S. So, thank you and enjoy your rest of the day, your weekend and we'll talk to you soon.

Operator: Thank you. Ladies and gentlemen, thank you for participating in today's teleconference. You may now disconnect.