

CROWN CASTLE INTERNATIONAL CORP  
Form S-4/A  
November 29, 2006  
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As filed with the Securities and Exchange Commission on November 29, 2006

Registration No. 333-138450

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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Amendment No. 1

to

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

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**Crown Castle International Corp.**

(Exact name of Registrant as specified in its charter)

Delaware	4899	76-0470458
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)
	510 Bering Drive	
	Suite 600	
	Houston, Texas 77057	
	(713) 570-3000	

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

---

W. Benjamin Moreland

Chief Financial Officer

Crown Castle International Corp.

510 Bering Drive, Suite 600

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Houston, Texas 77057

(713) 570-3000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

<b>Stephen L. Burns, Esq.</b>	<b>Jeffrey A. Klopff, Esq.</b>	<b>Joseph A. Coco, Esq.</b>
<b>James C. Woolery, Esq.</b>	<b>Global Signal Inc.</b>	<b>Skadden, Arps, Slate, Meagher &amp;</b>
<b>Cravath, Swaine &amp; Moore LLP</b>	<b>301 North Cattlemen Road, Suite 300</b>	<b>Flom LLP</b>
<b>Worldwide Plaza</b>	<b>Sarasota, Florida 34232</b>	<b>Four Times Square</b>
<b>825 Eighth Avenue</b>	<b>(941) 364-8886</b>	<b>New York, New York 10036</b>
<b>New York, New York 10019</b>		<b>(212) 735-3000</b>
<b>(212) 474-1000</b>		

**Approximate date of commencement of proposed sale to the public:** As soon as practicable following the effectiveness of this Registration Statement, satisfaction or waiver of the other conditions to closing of the merger described herein and consummation of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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

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

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to Registered(1)	Amount to Be Registered (2)	Proposed	Proposed	Amount of Registration Fee (4)
		Maximum Offering Price Per Share	Maximum Aggregate Offering Price (3)	
Common Stock, par value \$0.01 per share (and associated Series A Participating Cumulative Preferred Stock Purchase Rights)	114,772,225	N/A	\$ 3,862,334,861	\$413,270

- (1) This Registration Statement relates to common stock, par value \$0.01 per share ( Registrant Common Stock ), of Crown Castle International Corp. ( Crown Castle or the Registrant ) (and associated rights to purchase Series A Participating Cumulative Preferred Stock of Crown Castle) issuable to holders of common stock, par value \$0.01 per share ( Global Signal Common Stock ), of Global Signal Inc. ( Global Signal ), pursuant to the proposed merger (the Merger ) of Global Signal with and into CCGS Holdings LLC, a wholly owned subsidiary of the Registrant ( Merger Sub ).
- (2) Based on the number of shares of Registrant Common Stock to be issued in connection with the Merger, calculated as the product of (i) 71,287,096, the aggregate number of shares of Global Signal Common Stock (A) outstanding (other than shares owned by Global Signal, Merger Sub or the Registrant, but including restricted shares) as of October 31, 2006 and (B) issuable pursuant to the exercise of options and warrants outstanding as of October 31, 2006, and (ii) an exchange ratio of 1.61 shares of Registrant Common Stock for each share of Global Signal Common Stock, representing the maximum stock

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consideration issuable pursuant to the Merger.

- (3) Pursuant to Rules 457(c) and 457(f)(1) under the Securities Act of 1933, as amended (the Securities Act ), and solely for purposes of calculating this registration fee, the proposed maximum aggregate offering price is equal to the market value of shares of Global Signal Common Stock (the securities to be cancelled pursuant to the Merger) in accordance with Rule 457(c) under the Securities Act, calculated as follows: (i) \$54.18, the average of the high and low prices per share of Global Signal Common Stock on October 31, 2006, as reported on the New York Stock Exchange Composite Transactions Tape, multiplied by (ii) 71,287,096, the aggregate number of shares of Global Signal Common Stock (A) outstanding (other than shares owned by Global Signal, Merger Sub or the Registrant, but including restricted shares) as of October 31, 2006 and (B) issuable pursuant to the exercise of options and warrants outstanding as of October 31, 2006.
- (4) Previously paid. Reflects the product of (a) 0.00010700 multiplied by (b) the proposed maximum aggregate offering price.

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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**JOINT PROXY STATEMENT/PROSPECTUS**

Dear Stockholders:

We are pleased to report that the boards of directors of Crown Castle International Corp. ( Crown Castle ) and Global Signal Inc. ( Global Signal ) each have approved a merger of Global Signal with and into a wholly owned subsidiary of Crown Castle ( Merger Sub ). If the proposed merger is completed, each Global Signal stockholder will be entitled to receive in exchange for each of its shares of Global Signal common stock (other than certain restricted shares), at the election of the Global Signal stockholder, either 1.61 shares of Crown Castle common stock or \$55.95 in cash. The aggregate amount of cash consideration will be capped at \$550 million and will be prorated among Global Signal stockholders who make cash elections to the extent that the aggregate amount of cash consideration elected exceeds this cap. The merger is conditioned upon, among other things, the approval by Crown Castle stockholders of the issuance of shares of Crown Castle common stock to Global Signal stockholders pursuant to the merger and the adoption of the merger agreement by Global Signal stockholders. Crown Castle and Global Signal are sending you this joint proxy statement/prospectus to ask you to vote in favor of these matters.

Crown Castle will hold a special meeting of its stockholders on January 11, 2007, at the time and place indicated in the Crown Castle notice of special meeting of stockholders, to consider and vote on the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement.

Global Signal will hold a special meeting of its stockholders on January 11, 2007, at the time and place indicated in the Global Signal notice of special meeting of stockholders, to consider and vote on adoption of the merger agreement.

**YOUR VOTE IS VERY IMPORTANT.** The merger cannot be completed unless (i) Crown Castle stockholders approve the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement and (ii) Global Signal stockholders adopt the merger agreement. Whether or not you plan to attend your special meeting, please take the time to vote by completing, signing, dating and returning the accompanying proxy card in the enclosed self-addressed stamped envelope or by submitting your proxy by telephone or on the Internet (with respect to Crown Castle stockholders only) as soon as possible. If you hold your shares in street name, you should instruct your broker how to vote in accordance with your voting instruction form. If you are a Global Signal stockholder and you do not submit your proxy, instruct your broker how to vote your shares or vote in person at the Global Signal special meeting, it will have the same effect as a vote against adoption of the merger agreement. Returning a proxy does NOT deprive you of your right to attend your special meeting and to vote your shares in person.

This joint proxy statement/prospectus provides detailed information concerning the merger, the special meetings and the proposals to be considered at the special meetings. Additional information regarding Crown Castle and Global Signal has been filed with the Securities and Exchange Commission and is publicly available. **We encourage you to read carefully this entire joint proxy statement/prospectus, including all of its annexes, and we especially encourage you to read the section entitled Risk Factors beginning on page 30.**

We enthusiastically support the proposed combination of Crown Castle and Global Signal. The Crown Castle board of directors has determined that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Crown Castle and its stockholders, has approved the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement, and unanimously (with one abstention) recommends that Crown Castle stockholders vote **FOR** the issuance of shares of Crown Castle common stock to Global Signal stockholders. The Global Signal board of directors has determined that the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of Global Signal and its stockholders, has approved the merger and the merger agreement and unanimously recommends that Global Signal stockholders vote **FOR** adoption of the merger agreement.

J. Landis Martin

Wesley R. Edens

Chairman of the Board

Chairman of the Board

Crown Castle International Corp.

Global Signal Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Crown Castle common stock to be issued by Crown Castle under this joint proxy statement/prospectus or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

*This joint proxy statement/prospectus is dated November 29, 2006 and is first being mailed to Crown Castle stockholders and Global Signal stockholders on or about December 8, 2006.*



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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Crown Castle and Global Signal from documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**CROWN CASTLE INTERNATIONAL CORP.**

510 Bering Drive, Suite 600

Houston, Texas 77057

(713) 570-3000

**GLOBAL SIGNAL INC.**

301 North Cattlemen Road, Suite 300

Sarasota, Florida 34232

(941) 364-8886

***If you would like to request documents, you must do so by January 4, 2007 in order to receive them before the Crown Castle or Global Signal special meeting.***

See *Where You Can Find More Information* beginning on page 139.

**ABOUT THIS DOCUMENT**

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission by Crown Castle, constitutes a prospectus of Crown Castle under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of Crown Castle common stock to be issued to the holders of Global Signal common stock in connection with the merger. This document also constitutes (i) a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and the rules thereunder, (ii) a notice of meeting with respect to Crown Castle's special meeting of stockholders, at which Crown Castle stockholders will consider and vote upon the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement and (iii) a notice of meeting with respect to Global Signal's special meeting of stockholders, at which Global Signal stockholders will consider and vote upon adoption of the merger agreement.

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**CROWN CASTLE INTERNATIONAL CORP.**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JANUARY 11, 2007**

Houston, Texas

November 29, 2006

To the stockholders of Crown Castle International Corp.:

A special meeting of stockholders of Crown Castle International Corp. (Crown Castle) will be held at Crown Castle's corporate offices at 510 Bering Drive, Suite 600, Houston, Texas 77057 on January 11, 2007, at 9:00 a.m., local time, to consider and vote upon a proposal to approve the issuance of shares of Crown Castle common stock to stockholders of Global Signal Inc. (Global Signal) on the terms and conditions set out in the Agreement and Plan of Merger, dated as of October 5, 2006 (as such agreement may be amended from time to time, the merger agreement), among Global Signal, Crown Castle and a wholly owned subsidiary of Crown Castle (Merger Sub), pursuant to which Global Signal will merge with and into Merger Sub, with Merger Sub remaining a wholly owned subsidiary of Crown Castle, and each outstanding share of Global Signal common stock (other than shares owned by Global Signal, Crown Castle or Merger Sub and certain unvested restricted shares) will be converted automatically into the right to receive, at the election of the holder thereof, either 1.61 shares of Crown Castle common stock or \$55.95 in cash. The aggregate amount of cash consideration will be capped at \$550 million and will be prorated among Global Signal stockholders who make cash elections to the extent that the aggregate amount of cash consideration elected exceeds this cap. This cap will be reduced on a dollar-for-dollar basis to the extent of any cash dividends or other cash distributions declared or paid by Global Signal or any of its subsidiaries after October 5, 2006 (other than (i) dividends and distributions by a direct or indirect wholly owned subsidiary of Global Signal to its parent and (ii) Global Signal's dividend for the third quarter of 2006 paid on October 19, 2006) and prior to the effective time of the merger. If cash is oversubscribed by Global Signal stockholders, a Global Signal stockholder who has elected to receive cash will receive part of its consideration in the form of Crown Castle common stock.

We will transact no other business at the Crown Castle special meeting, except such business as may properly be brought before the Crown Castle special meeting or any adjournment or postponement of such meeting by the Crown Castle board of directors.

Only holders of record of Crown Castle common stock (including restricted shares) at the close of business on November 27, 2006, the record date for the Crown Castle special meeting, are entitled to notice of, and to vote at, the Crown Castle special meeting and any adjournment or postponement of such meeting. A complete list of these stockholders will be open for examination by any stockholder of record at Crown Castle's corporate offices at 510 Bering Drive, Suite 600, Houston, Texas 77057 during regular business hours for a period of no less than ten days prior to the special meeting. The list will also be available for examination by any stockholder of record present at the special meeting.

We cannot complete the merger unless the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement is approved by the affirmative vote of a majority of the total votes cast by the Crown Castle stockholders at the special meeting of stockholders, provided that the total number of votes cast at such special meeting represents a majority of the total voting power of all outstanding shares of Crown Castle common stock (including restricted shares). The joint proxy statement/prospectus accompanying this notice explains the merger, the merger agreement and the proposal to be considered at the Crown Castle special meeting in more detail and provides specific information concerning the Crown Castle special meeting. Please review this joint proxy statement/prospectus carefully, including the merger agreement attached to it as *Annex A*.

**The Crown Castle board of directors has determined that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Crown Castle and its stockholders, has approved the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement, and unanimously (with one abstention) recommends that you vote FOR the issuance of Crown Castle common stock to Global Signal stockholders.**

**Whether or not you plan to attend the Crown Castle special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid return envelope or submit your proxy by telephone or on the Internet as soon as possible.** You may revoke the proxy at any time prior to its exercise in the manner described in the joint proxy statement/prospectus. Any stockholder of record present at the Crown Castle special meeting, including any adjournment or postponement of such meeting, may revoke its proxy and vote personally on the issuance of Crown Castle common stock.

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By order of the board of directors,

Donald J. Reid, Jr.

Corporate Secretary

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GLOBAL SIGNAL INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON JANUARY 11, 2007

Sarasota, Florida

November 29, 2006

To the stockholders of Global Signal Inc.:

A special meeting of stockholders of Global Signal Inc. ( Global Signal ) will be held at the offices of Skadden, Arps, Slate, Meagher & Flom LLP at 4 Times Square, 38<sup>th</sup> Floor, New York, New York 10036 on January 11, 2007, at 10:00 a.m., local time, to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of October 5, 2006 (as such agreement may be amended from time to time, the merger agreement ), among Global Signal, Crown Castle International Corp. ( Crown Castle ) and a wholly owned subsidiary of Crown Castle ( Merger Sub ), pursuant to which Global Signal will merge with and into Merger Sub, with Merger Sub remaining a wholly owned subsidiary of Crown Castle, and each outstanding share of Global Signal common stock (other than shares owned by Global Signal, Crown Castle or Merger Sub and certain unvested restricted shares) will be converted automatically into the right to receive, at the election of the holder thereof, either 1.61 shares of Crown Castle common stock or \$55.95 in cash. The aggregate amount of cash consideration will be capped at \$550 million and will be prorated among Global Signal stockholders who make cash elections to the extent that the aggregate amount of cash consideration elected exceeds this cap. This cap will be reduced on a dollar-for-dollar basis to the extent of any cash dividends or other cash distributions declared or paid by Global Signal or any of its subsidiaries after October 5, 2006 (other than (i) dividends and distributions by a direct or indirect wholly owned subsidiary of Global Signal to its parent and (ii) Global Signal's dividend for the third quarter of 2006 paid on October 19, 2006) and prior to the effective time of the merger. If cash is oversubscribed by Global Signal stockholders, a Global Signal stockholder who has elected to receive cash will receive part of its consideration in the form of Crown Castle common stock.

We will transact no other business at the Global Signal special meeting, except such business as may properly be brought before the Global Signal special meeting or any adjournment or postponement of such meeting by the Global Signal board of directors.

Only holders of record of Global Signal common stock (including restricted shares) at the close of business on November 27, 2006, the record date for the Global Signal special meeting, are entitled to notice of, and to vote at, the Global Signal special meeting and any adjournment or postponement of such meeting. A complete list of Global Signal stockholders entitled to vote at the Global Signal special meeting will be available for inspection at the executive offices of Global Signal during regular business hours for a period of no less than ten days before the special meeting.

For more information about the merger described above and the transactions contemplated by the merger agreement, please review carefully the accompanying joint proxy statement/prospectus and the merger agreement attached to it as *Annex A*.

**The Global Signal board of directors has approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and unanimously recommends that you vote FOR adoption of the merger agreement.**

**Whether or not you plan to attend the Global Signal special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid return envelope or submit your proxy by telephone as soon as possible.** You may revoke the proxy at any time prior to its exercise in the manner described in the joint proxy statement/prospectus. Any stockholder of record present at the Global Signal special meeting, including any adjournment or postponement of such meeting, may revoke its proxy and vote personally on the merger agreement.

By order of the board of directors,

Jeffrey A. Klopff

Executive Vice President, General Counsel and Secretary

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

***Q: Why am I receiving this joint proxy statement/prospectus?***

A: Crown Castle International Corp. ( Crown Castle ) and Global Signal Inc. ( Global Signal ) have entered into the Agreement and Plan of Merger, dated as of October 5, 2006 (as such agreement may be amended from time to time, the merger agreement ), among Global Signal, Crown Castle and CCGS Holdings LLC, a wholly owned subsidiary of Crown Castle ( Merger Sub ), that is described in this joint proxy statement/prospectus. See *The Merger Agreement* beginning on page 89. A copy of the merger agreement is attached to this joint proxy statement/prospectus as *Annex A*.

Under the terms of the merger agreement, Global Signal will be merged with and into Merger Sub (the merger ), with Merger Sub surviving the merger and remaining a wholly owned subsidiary of Crown Castle. In order to complete the merger, (i) Crown Castle stockholders must approve the issuance of shares of Crown Castle common stock to Global Signal stockholders on the terms and conditions set out in the merger agreement (the Crown Castle share issuance ), (ii) Global Signal stockholders must adopt the merger agreement and (iii) all other conditions to the merger must be satisfied or waived. Crown Castle will hold a special meeting of its stockholders (the Crown Castle special meeting ) to obtain the required approval of Crown Castle stockholders and Global Signal will hold a special meeting of its stockholders (the Global Signal special meeting ) to obtain the required approval of Global Signal stockholders.

***Q: What vote of Crown Castle stockholders is required to approve the Crown Castle share issuance?***

A: The vote of Crown Castle stockholders required to approve the Crown Castle share issuance is the affirmative vote of a majority of the total votes cast by the holders of Crown Castle common stock at the Crown Castle special meeting, provided that the total number of votes cast at the Crown Castle special meeting represents a majority of the total voting power of all shares of Crown Castle common stock (including restricted shares) outstanding on November 27, 2006, the record date for the Crown Castle special meeting (the Crown Castle record date ). Abstentions and broker non-votes will be counted in determining whether or not a quorum exists. Failures to vote and broker non-votes will not be voted for or against the Crown Castle share issuance; however, abstentions will have the same effect as votes against the Crown Castle share issuance.

***Q: What vote of Global Signal stockholders is required to adopt the merger agreement?***

A: The vote of Global Signal stockholders required to adopt the merger agreement is the affirmative vote of a majority of the shares of Global Signal common stock outstanding (including restricted shares) at the close of business on November 27, 2006, the record date for the Global Signal special meeting (the Global Signal record date ). Accordingly, abstentions, failures to vote and broker non-votes will have the same effect as votes against adoption of the merger agreement.

***Q: Are any stockholders already committed to vote in favor of the merger?***

Yes. Certain Global Signal stockholders have entered into support agreements with Crown Castle (the support agreements ) pursuant to which they have agreed to vote certain of their Global Signal shares (representing in the aggregate 40% of the Global Signal common stock outstanding as of the date of the merger agreement) in favor of the merger, the merger agreement and the transactions contemplated by the merger agreement and against any transaction or other action that would impede the merger, the merger agreement or any other transactions contemplated by the merger agreement. The support agreements will terminate upon the earlier of the consummation of the merger and the termination of the merger agreement. For a more complete description of the support agreements, see *Agreements Related to the Merger Support Agreements* on page 107. The support agreements are also attached to this joint proxy statement/

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prospectus as *Annexes C, D and E*. As of the date of the merger agreement, these stockholders collectively owned approximately 72.9% of the outstanding shares of Global Signal common stock. As a result, if these stockholders were to vote all of their shares in favor of adoption of the merger agreement, their votes would be sufficient to adopt the merger agreement.

***Q: What will Crown Castle stockholders receive pursuant to the merger?***

A: Crown Castle stockholders will not receive any merger consideration. Each share of Crown Castle common stock outstanding immediately prior to the merger will remain outstanding as a share of Crown Castle common stock immediately following the merger. Based on the number of shares of Global Signal common stock outstanding and Crown Castle common stock outstanding, in each case on a fully-diluted basis, as of November 27, 2006, and depending on the aggregate amount of cash consideration that Global Signal stockholders elect to receive pursuant to the merger, immediately after the merger, Global Signal stockholders will own between approximately 31% and 34%, and Crown Castle stockholders will own between approximately 66% and 69%, of the then-outstanding shares of Crown Castle common stock, in each case on a fully-diluted basis.

***Q: What will Global Signal stockholders receive pursuant to the merger?***

A: Upon completion of the merger, each Global Signal stockholder will be entitled to receive in exchange for each of its shares of Global Signal common stock (other than certain restricted shares), at the election of the Global Signal stockholder, either 1.61 shares of Crown Castle common stock or \$55.95 in cash. The aggregate amount of cash consideration will be capped at \$550 million and will be prorated among Global Signal stockholders who make cash elections to the extent that the aggregate amount of cash consideration elected exceeds this cap, as more fully described under *The Merger Agreement Cash Cap and Proration* on page 90. If cash is oversubscribed, Global Signal stockholders who have elected to receive cash will receive part of their consideration in the form of Crown Castle common stock. This cap also will be reduced on a dollar-for-dollar basis to the extent of any cash dividends or other cash distributions declared or paid by Global Signal or any of its subsidiaries after October 5, 2006 (other than (i) dividends and distributions by a direct or indirect wholly owned subsidiary of Global Signal to its parent and (ii) Global Signal's dividend for the third quarter of 2006 paid on October 19, 2006) and prior to the effective time of the merger.

On October 5, 2006, the last trading day before the public announcement of the merger agreement, Crown Castle's closing price was \$34.75 per share, and on November 28, 2006, the last trading day before the date of this joint proxy statement/prospectus, Crown Castle's closing price was \$34.40 per share. On October 5, 2006, the last trading day before the public announcement of the merger agreement, Global Signal's closing price was \$50.10 per share, and on November 28, 2006, the last trading day before the date of this joint proxy statement/prospectus, Global Signal's closing price was \$55.30 per share. Stockholders of both companies are encouraged to obtain current market quotations for Crown Castle common stock and Global Signal common stock prior to voting their shares and, in the case of Global Signal stockholders, prior to electing whether to receive cash or stock pursuant to the merger.

***Q: How and when can Global Signal stockholders make elections for cash consideration and/or stock consideration?***

A: Concurrently with the mailing of this joint proxy statement/prospectus to Global Signal stockholders, a form of election and letter of transmittal will be sent to Global Signal stockholders in a separate mailing for making elections for cash consideration and/or stock consideration. To be effective, the form of election and letter of transmittal must be properly completed and signed and received by the exchange agent, together with the stock certificates representing shares of Global Signal common stock with respect to which the elections are being made, no later than 5:00 p.m., New York City time, on January 8, 2007. If a properly completed and signed form of election and letter of transmittal with respect to shares of Global Signal

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common stock is not received by the exchange agent, together with the appropriate stock certificates, by 5:00 p.m., New York City time, on January 8, 2007, then the holder of those shares of Global Signal common stock will be deemed to have made an election for all stock consideration in respect of those shares of Global Signal common stock.

Global Signal stockholders that hold their shares in street name will receive directions from their brokers regarding how to make elections. Brokers will only make elections with respect to shares for which they have been properly instructed to make elections in accordance with their directions; all other shares will be treated as if their holders made an election for all stock consideration in respect of those shares of Global Signal common stock.

***Q: Can Global Signal stockholders change or revoke their elections for cash consideration and/or stock consideration?***

A: Yes. Any Global Signal stockholder may at any time prior to 5:00 p.m., New York City time, on January 8, 2007, change its election by giving written notice to the exchange agent prior to such time accompanied by a properly completed and signed revised form of election and letter of transmittal. Any form of election and letter of transmittal may be revoked by the Global Signal stockholder submitting it to the exchange agent only by written notice received by the exchange agent prior to 5:00 p.m., New York City time, on January 8, 2007. Please mail such notices and revised forms of election to Mellon Investor Services LLC, Attn: Reorganization Department, P.O. Box 3448, Hackensack, New Jersey 07606.

Each form of election and letter of transmittal automatically will be revoked if the exchange agent is notified in writing by Crown Castle or Global Signal that the merger has been abandoned. If a form of election and letter of transmittal is revoked, the stock certificates to which such form of election and letter of transmittal relates shall be returned promptly to the Global Signal stockholder submitting such form of election and letter of transmittal to the exchange agent.

***Q: Will Global Signal stockholders receive the specific amount of cash consideration that they elect to receive?***

A: Not necessarily. Elections for cash consideration will be subject to the proration procedures set forth in the merger agreement. See *The Merger Agreement Cash Cap and Proration* on page 90.

***Q: If I am a Global Signal stockholder, should I send in my stock certificates now?***

A: Yes. Regardless of whether you are electing stock consideration, cash consideration or a mix of stock consideration and cash consideration, you should send your stock certificates, together with a properly completed and signed form of election and letter of transmittal, to the exchange agent no later than 5:00 p.m., New York City time, on January 8, 2007. If the exchange agent has not received such documents by such time, then you will be deemed to have made an election for all stock consideration in respect of your shares of Global Signal common stock. However, you will not receive the merger consideration to which you are entitled until you have sent your stock certificates to the exchange agent. If you do not make a valid election with respect to your shares of Global Signal common stock, upon consummation of the merger, the exchange agent will send to you a second letter of transmittal that you should complete and execute and return to the exchange agent with your stock certificates in order to receive your merger consideration. **DO NOT SEND IN YOUR STOCK CERTIFICATES WITH YOUR PROXY CARD.**

***Q: Does the Crown Castle board support the merger and the Crown Castle share issuance?***

A: Yes. The Crown Castle board of directors (the Crown Castle board) has determined that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Crown Castle and its stockholders, has approved the merger agreement and the transactions contemplated by



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the merger agreement, including the merger and the Crown Castle share issuance, and unanimously (with one abstention) recommends that Crown Castle stockholders vote **FOR** the Crown Castle share issuance. You should read *The Merger Recommendation of the Crown Castle Board and Its Reasons for the Merger* beginning on page 57 for a discussion of the factors that the Crown Castle board considered in deciding to approve the merger and the Crown Castle share issuance.

***Q: Does the Global Signal board support the merger?***

A: Yes. The Global Signal board of directors (the Global Signal board) has determined that the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of Global Signal and its stockholders, has approved the merger and the merger agreement and unanimously recommends that Global Signal stockholders vote **FOR** adoption of the merger agreement. You should read *The Merger Recommendation of the Global Signal Board and Its Reasons for the Merger* beginning on page 60 for a discussion of the factors that the Global Signal board considered in deciding to approve the merger agreement.

***Q: Are there risks involved in undertaking the merger?***

A: Yes. In evaluating the merger, Crown Castle and Global Signal stockholders should carefully consider the factors discussed in the section of this joint proxy statement/prospectus entitled *Risk Factors* beginning on page 30 and other information about Crown Castle and Global Signal included in the documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 139.

***Q: How will Crown Castle pay for the cash portion of the merger consideration?***

A: Crown Castle will finance the cash portion of the merger consideration with a portion of the proceeds of the offering by certain of its indirect subsidiaries of \$1,550 million of Senior Secured Tower Revenue Notes, Series 2006-1 (the 2006 Tower Revenue Notes) that was consummated on November 29, 2006. Crown Castle also will assume Global Signal's estimated debt of \$1,844 million in connection with the merger. At the closing of the merger, Crown Castle expects to have total debt of approximately \$5,327 million and net debt of approximately \$5,012 million (assuming Global Signal stockholders elected to receive the maximum amount of aggregate cash consideration of \$550 million). For a more detailed description of the 2006 Tower Revenue Notes, see *The Merger Financing of the Merger* beginning on page 80.

***Q: Where and when is the Crown Castle special meeting?***

A: The Crown Castle special meeting will be held at Crown Castle's corporate offices at 510 Bering Drive, Suite 600, Houston, Texas 77057 on January 11, 2007 at 9:00 a.m., local time. Crown Castle stockholders may attend the Crown Castle special meeting and vote their shares in person, or they may complete, sign, date and return the enclosed proxy or submit a proxy by telephone or on the Internet.

***Q: Where and when is the Global Signal special meeting?***

A: The Global Signal special meeting will be held at the offices of Skadden, Arps, Slate, Meagher & Flom LLP at 4 Times Square, 38<sup>th</sup> Floor, New York, New York 10036 on January 11, 2007 at 10:00 a.m., local time. Global Signal stockholders may attend the Global Signal special meeting and vote their shares in person, or they may complete, sign, date and return the enclosed proxy or submit a proxy by telephone.

***Q:*** *Who can vote at the Crown Castle special meeting?*

**A:** Crown Castle stockholders can vote at the Crown Castle special meeting if they owned shares of Crown Castle common stock (including restricted shares) at the close of business on the Crown Castle record date.

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As of the close of business on that date, 202,013,943 shares of Crown Castle common stock were outstanding. If you are a Crown Castle stockholder and you transfer your shares of Crown Castle common stock after the Crown Castle record date but before the Crown Castle special meeting, you will retain your right to vote at the Crown Castle special meeting.

***Q: Who can vote at the Global Signal special meeting?***

A: Global Signal stockholders can vote at the Global Signal special meeting if they owned shares of Global Signal common stock (including restricted shares) at the close of business on the Global Signal record date. As of the close of business on that date, 70,231,686 shares of Global Signal common stock were outstanding. If you are a Global Signal stockholder and you transfer your shares of Global Signal common stock after the Global Signal record date but before the Global Signal special meeting, you will retain your right to vote at the Global Signal special meeting but will have transferred the right to receive the consideration to be received by the Global Signal stockholders pursuant to the merger. In order to receive the merger consideration, Global Signal stockholders must hold their shares through completion of the merger.

***Q: If I am a Crown Castle stockholder, what do I need to do now?***

A: After carefully reading and considering the information contained, or incorporated by reference, in this joint proxy statement/prospectus, please complete, sign and date your proxy and return it in the enclosed postage-paid return envelope or submit your proxy by telephone or on the Internet as soon as possible, so that your shares may be represented at the Crown Castle special meeting. If you sign and send in your proxy and do not indicate how you want to vote, Crown Castle will count your proxy as a vote in favor of the Crown Castle share issuance.

***Q: If I am a Global Signal stockholder, what do I need to do now?***

A: After carefully reading and considering the information contained, or incorporated by reference, in this joint proxy statement/prospectus, please complete, sign and date your proxy and return it in the enclosed postage-paid return envelope or submit your proxy by telephone as soon as possible, so that your shares may be represented at the Global Signal special meeting. If you sign and send in your proxy and do not indicate how you want to vote, Global Signal will count your proxy as a vote in favor of adoption of the merger agreement.

If you wish to make an election for cash consideration and/or stock consideration with respect to any of your Global Signal shares, you must properly complete and sign the form of election and letter of transmittal, which must be received by the exchange agent, together with the stock certificates representing shares of Global Signal common stock with respect to which you wish to make such elections, no later than 5:00 p.m., New York City time, on January 8, 2007. **IF THE EXCHANGE AGENT HAS NOT RECEIVED SUCH DOCUMENTS BY SUCH TIME, THEN YOU WILL BE DEEMED TO HAVE MADE AN ELECTION FOR ALL STOCK CONSIDERATION IN RESPECT OF YOUR SHARES OF GLOBAL SIGNAL COMMON STOCK. DO NOT SEND IN YOUR STOCK CERTIFICATES WITH YOUR PROXY CARD.**

***Q: If my shares are held in street name by my broker, will my broker vote my shares for me?***

A: Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided in the prospectus. Proceeds from the exercise of warrants. Effective November 1, 2004, TELUS plans to purchase employee share purchase plan shares in the market rather than issuing from treasury. - Cash dividends paid to shareholders increased by \$3.9 million and \$5.9 million, respectively, for the third quarter and first nine months of 2004. The increase in cash dividends paid was a result of a larger number of Common shares and Non-Voting shares outstanding and a lower enrolment in dividend reinvestment plans. The 15-cent quarterly dividend paid per Common share and Non-voting share was unchanged during the third quarter of 2004. The approximate enrolment in dividend reinvestment plans was 19% for the dividend paid in July 2004 as compared with 24% in July 2003. Effective with the dividend to be paid January 1, 2005, and subject to regulatory approval, TELUS plans to purchase dividend reinvestment plan shares in the market rather than

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issuing from treasury. The previous 3% plan discount has also been eliminated. - The redemption of all of the publicly held TELUS Communications Inc. Preference and Preferred Shares was completed by August 3, 2004. Redeemed amounts were \$37.0 million and \$72.8 million for the third quarter and first nine months of 2004. - Debt redemptions in the third quarter of 2004 included \$189.5 million of TELUS Communications Inc. Series A Debentures and \$20 million of TELUS Communications Inc. Medium-term Notes. Debt redemptions for the first nine months of 2004 also included the first quarter repayment of the full outstanding bank facility balance of \$34.0 million. Debt redemptions for the first nine months of 2003 included repayment of \$585 million of bank facilities, \$151 million of Medium-term Notes and \$30 million of First Mortgage Bonds. Liquidity and capital resource measures Sept. 30, Sept. 30, June 30, Period ended 2004 2003 Change 2004 ----- Components of debt and coverage

ratios -----	Net debt(1) (\$ millions)	6,749.4	7,539.8	(790.4)	7,223.2	Total capitalization(2) - book value (\$ millions)	13,588.8	14,044.0	(455.2)	13,920.2	EBITDA (excluding restructuring)(3) (12-month trailing) (\$ millions)	3,055.8	2,790.3	265.5	2,976.2	Net interest cost(4) (12-month trailing) (\$ millions)	621.5	628.8	(7.3)	602.2	Debt ratios -----	Fixed rate debt as a proportion of total indebtedness (%)	93.2	100.0	(6.8)	93.4	Average term to maturity of debt (years)	5.6	6.4	(0.8)	5.7	Net debt to total capitalization (%)	49.7	53.7	(4.0)	51.9	Net debt to EBITDA(5)	2.2	2.7	(0.5)	2.4	Coverage ratios -----	Earnings coverage(6)	2.1	1.3	0.8	2.0	EBITDA interest coverage(7)	4.9	4.4	0.5	4.9	Other measures -----	Free cash flow(8) (three-month \$ millions)	502.6	440.3	62.3	229.5	Free cash flow (12-month trailing, \$ millions)	1,246.9	592.6	654.3	1,184.6	-----	(1) Net
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debt is defined as Long-term Debt plus current maturities of Long-term Debt and cheques outstanding less Cash and temporary investments plus cross currency foreign exchange hedge liability (less cross currency foreign exchange hedge asset) related to U.S. dollar notes. The cross currency foreign exchange hedge liability was \$853.6 million at September 30, 2004 (compared with deferred hedge liabilities of \$580.8 million at September 30, 2003 and \$630.6 million at June 30, 2004). Net debt is unaffected by foreign exchange fluctuations because it includes (deducts) the net deferred hedging liability (asset). Under TELUS' new credit facilities, a notional amount related to accounts receivable securitization is no longer added to the numerator of the Leverage Ratio covenant calculation. Consistent with the new credit facility calculation, Net debt for current and prior periods excludes notional accounts receivable securitization amounts. (2) Total capitalization is defined as net debt plus Non-controlling interest and Shareholders' equity. (3) EBITDA (excluding Restructuring and workforce reduction costs of \$49.0 million, \$253.1 million and \$35.1 million, respectively, for the 12-month periods ended September 30, 2004, September 30, 2003, and June 30, 2004). EBITDA (excluding restructuring) is used for the calculation of Net debt to EBITDA and EBITDA interest coverage, consistent with the calculation of the Leverage Ratio and the Coverage Ratio in credit facility covenants. (4) Net interest cost is defined as Net financing cost before gains on redemption and repayment of debt, calculated on a 12-month trailing basis. Gains on redemption and repayment of debt were recorded in the fourth quarter of 2002. (5) Net debt to EBITDA is defined as net debt as at the end of the period divided by 12-month trailing EBITDA (excluding restructuring). This measure is substantially the same as the Leverage Ratio covenant in TELUS' credit facilities. (6) Earnings coverage ratio is calculated on a 12-month trailing basis as Net income before interest expense on total debt and income tax expense divided by interest expense on total debt. (7) EBITDA interest coverage is defined as EBITDA (excluding restructuring) divided by Net interest cost. This measure is substantially the same as the Coverage Ratio covenant in TELUS' new credit facilities. (8) See Note 2 of the Financial highlights table.

----- The balance of Long-term Debt and Current maturities of Long-term Debt was \$6,518.0 million as at September 30, 2004, a decrease of \$312.9 million from December 31, 2003. The lower debt balance was due to redemptions and a \$107.9 million decrease in the Canadian dollar value of U.S. dollar denominated Notes, as the Canadian dollar appreciated against the U.S. dollar by approximately 2.8% during the first nine months of 2004. TELUS' U.S. dollar debt is fully hedged, resulting in a corresponding increase of \$107.9 million being recorded in the deferred hedging liability. While the amount of utilized bank facilities decreased to \$nil from \$70 million one year earlier, TELUS converted \$500 million of debt from a fixed rate to a floating rate basis during the first half of 2004, reducing the proportion of fixed rate debt. The net debt to total capitalization ratio measured at September 30, 2004 decreased, when compared with one year earlier, primarily as a result of debt repayments and increased retained earnings since the third quarter of 2003. The net debt to EBITDA ratio measured at September 30, 2004 improved significantly, when compared with one year earlier, as a result of debt reduction and an increase in 12-month trailing EBITDA (excluding restructuring). The earnings coverage ratio improved significantly because of the improvement in income before interest and taxes and decreased interest on total debt. The EBITDA interest coverage ratio improved as a result of higher EBITDA (excluding restructuring) and lower interest costs, partly offset by lower interest income. Free cash flow measures for the three-month and 12-month periods ended September 30, 2004, increased when compared with one year earlier primarily because of improved EBITDA, lower payments under restructuring programs and lower interest payments, partly offset by increased capital expenditures. Free cash flow for the 12-month period ended September 30, 2004 also increased due to higher cash tax recoveries than the comparable period one-year earlier. The Board of Directors declared a quarterly dividend of twenty cents (\$0.20) per share on the outstanding Common Shares and Non-Voting Shares of TELUS. This represents an increase of one-third from the fifteen cents declared last quarter. The dividend is payable on January 1, 2005 to holders of record at the close of business on December 10, 2004. The TELUS Board also announced that consistent with a dividend growth approach, it has established a forward-looking dividend payout ratio guideline of 45 to 55% of net earnings. On October 29, 2004, TELUS is announcing that it has received approval from its Board of Directors to make a Normal Course Issuer Bid for the repurchase of its Common Shares and Non-Voting Shares, subject to obtaining all necessary regulatory approvals. The repurchase program will enable TELUS to repurchase, over approximately a 12-month period, up to a maximum of 14.0 million Common Shares and 11.5 million Non-Voting Shares, representing approximately 10 per cent of the public float of each of the Common Shares and Non-Voting Shares. All shares purchased will be cancelled.

4.7 Credit facilities ----- The following are the credit facilities available to TELUS at September 30, 2004: Outstanding Credit Facilities undrawn At September 30, 2004 letters of (\$ millions) Expiry Available Drawn credit ----- Revolving credit facility (1) May 7, 2008 800.0 - 102.6 364-day revolving facility (2) May 6, 2005 800.0 - - Other bank facilities - 74.0 - 6.9 ----- Total 1,674.0 - 109.5 ----- (1) Canadian dollars or U.S. dollar equivalent. (2) Canadian

dollars or U.S. dollar equivalent, extendible at the Company's option on a non-revolving basis for one year for any amounts outstanding on the May 6, 2005 anniversary date. Additionally, at September 30, 2004, the Company had accepted a fully underwritten commitment for a \$500 million (or U.S. Dollar equivalent) unsecured bank credit facility for general corporate purposes. This 364-day credit facility, upon documentation, would have been available until the earlier of October 31, 2005, and 364 days after the completion date of the Company's offers to purchase Microcell Telecommunications Inc., had that event in fact occurred. Subsequent to quarter end, in conjunction with the expiry of the Company's offers to purchase Microcell, this bank credit facility commitment was cancelled. Including cash of \$622.2 million and the credit facilities described in the table above, TELUS had unutilized available liquidity in excess of \$2 billion at September 30, 2004. TELUS' credit facilities contain customary covenants including a requirement that TELUS not permit its consolidated Leverage Ratio (Funded Debt to trailing 12-month EBITDA) to exceed 4.0:1 (approximately 2.2:1 as at September 30, 2004) and not permit its consolidated Coverage Ratio (EBITDA to Interest Expense on a trailing 12-month basis) to be less than 2.0:1 (approximately 4.9:1 as at September 30, 2004) at the end of any financial quarter. There are certain minor differences in the calculation of the Leverage Ratio and Coverage Ratio under the credit agreement as compared with the calculation of net debt to EBITDA and EBITDA interest coverage. The calculations are not expected to be materially different. The covenants are not impacted by revaluation of capital assets, intangible assets and goodwill for accounting purposes, and continued access to TELUS' credit facilities is not contingent on the maintenance by TELUS of a specific credit rating.

4.8 Accounts receivable sale ----- TELUS Communications Inc., a wholly-owned subsidiary of TELUS, is able to sell an interest in certain of its receivables up to a maximum of \$650 million and is required to maintain at least a BBB(low) credit rating by Dominion Bond Rating Service (DBRS), or the purchaser may require the sale program to be wound down. The necessary credit rating was exceeded by two levels at BBB(high) as of October 25, 2004. The proceeds of securitized receivables were \$150 million at September 30, 2004, as compared with \$481 million one year earlier and \$300 million at December 31, 2003. TELUS Communications Inc. is required to retain a minimum of \$150 million proceeds under this program to keep it active. Average proceeds from securitization were \$191 million for the first nine months of 2004, compared with \$471 million in the same period in 2003.

4.9 Credit ratings ----- With the May 13, 2004 announcement of TELUS' bid for Microcell, the four credit rating agencies covering TELUS issued press releases confirming or placing under review TELUS' investment grade credit ratings. Following the expiry of TELUS' bid for Microcell on October 12, 2004, Standard and Poor's confirmed its BBB long-term credit ratings for TELUS and TELUS Communications Inc. with a stable outlook. On October 20, 2004, Dominion Bond Rating Service confirmed its long-term credit ratings of BBB(high) for TELUS Communications Inc. and BBB for TELUS Corporation, each with a stable trend. TELUS has an objective to preserve access to capital markets at a reasonable cost by maintaining investment grade credit ratings and targeting improved credit ratings in the range of BBB+ to A-, in future.

4.10 Off-balance sheet arrangements and contractual liabilities

----- Financial instruments (Note 3 of the interim consolidated financial statements) During the first half of 2004, the Company entered into two series of hedging relationships to which hedge accounting has been applied: one series of hedging relationships results in fixing the Company's compensation cost arising from a specific grant of restricted stock units, and the other series of hedging relationships results in the notional conversion of \$500 million of the 2006 (Canadian Dollar) Notes from a fixed interest rate of 7.5% to a floating interest rate based upon the three-month Bankers' Acceptance Canadian Dollar Offered Rate plus a spread. As at September 30, 2004, the Company had entered into foreign currency forward contracts that have the effect of fixing the exchange rates on U.S.\$52.5 million and U.S.\$14.5 million of fiscal 2004 and fiscal 2005 purchase commitments, respectively; hedge accounting has been applied to these foreign currency forward contracts, all of which relate to the Mobility segment. Fair value: The fair value of the Company's long-term debt, including the convertible debentures, is estimated based on quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same maturity as well as the use of discounted future cash flows using current rates for similar financial instruments subject to similar risks and maturities. The fair values of the Company's derivative financial instruments used to manage exposure to interest rate and currency risks are estimated similarly. The fair value of the Company's debt at September 30, 2004 was estimated at \$8,559 million (\$8,699 million at December 31, 2003). Commitments and contingent liabilities (Note 15 of the interim consolidated financial statements) The Company has a number of commitments and contingent liabilities. - The Company has \$85.9 million in outstanding commitments for its restructuring programs as at September 30, 2004. - In accordance with CRTC Price Cap Decisions 2002-34 and 2002-43, the Company defers a portion of revenues in a deferral account, which at September 30, 2004, was \$114 million. The mechanism for disposing of balance in this deferral account, other than as already approved by the CRTC, is currently the subject of a CRTC proceeding. - On May 21, 2004, the CIRB declared TELE-MOBILE COMPANY and TELUS Communications Inc. a single employer for labour relations purposes. The Canadian Industrial Relations Board also determined that TELUS Mobility's non-unionized team members, predominantly located in Ontario and Quebec, performing work similar to their unionized TELUS Mobility counterparts in Alberta and British Columbia, should be included in the bargaining unit represented by the Telecommunications Workers Union. TCI's and TELUS Mobility's application with the Federal Court of Appeal for judicial review of this CIRB decision was heard on October 4-5, 2004. A decision from the Court is expected within three months. Should the ultimate operational and financial impacts of the outcome of the Federal Court of Appeal process differ from management's assessments and assumptions, a material adjustment to the Company's financial position and the results of its operations could result. Canadian GAAP requires the disclosure of certain types of guarantees and their maximum, undiscounted amounts. The maximum potential payments represent a "worst-case scenario" and do not necessarily reflect results expected by the Company. Guarantees requiring disclosure are those obligations that require payments contingent on specified types of future events; in the normal course of its operations, the Company enters into obligations which GAAP may consider to be guarantees. As defined by Canadian GAAP, guarantees subject to these disclosure guidelines do not include guarantees that relate to the future performance of the Company. As at September 30, 2004, the Company has no liability recorded in respect of performance guarantees, \$1.0 million (December 31, 2003 - \$1.5 million) recorded in respect of lease guarantees. The maximum undiscounted guarantee amounts as at September 30, 2004, without regard for the likelihood of having to make such payment, were not significant. In the normal course of operations, the Company may provide indemnification in conjunction with certain transactions. The term of these indemnification obligations range in duration and often are not explicitly defined.

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Where appropriate, an indemnification obligation is recorded as a liability. In many cases, there is no maximum limit on these indemnification obligations and the overall maximum amount of the obligations under such indemnification obligations cannot be reasonably estimated. Other than obligations recorded as liabilities at the time of the transaction, historically the Company has not made significant payments under these indemnifications. In connection with its 2001 disposition of TELUS' directory business, the Company agreed to bear a proportionate share of the purchaser's increased directory publication costs if the increased costs were to arise from a change in the applicable CRTC regulatory requirements. The Company's proportionate share would be 80% through May 2006, declining to 40% in the next five-year period and then to 15% in the final five years. As well, should the CRTC take any action which would result in the purchaser being prevented from carrying on the directory business as specified in the agreement, TELUS would indemnify the purchaser in respect of any losses that the purchaser incurred. As at September 30, 2004, the Company has no liability recorded in respect of indemnification obligations. A number of claims and lawsuits seeking damages and other relief are pending against the Company. It is impossible at this time for the Company to predict with any certainty the outcome of such litigation. However, management is of the opinion, based upon legal assessment and information presently available, that it is unlikely that any liability, to the extent not provided for through insurance or otherwise, would be material in relation to the Company's consolidated financial position, excepting items disclosed previously relating to pay equity, the TELUS Corporation Pension Plan and TELUS Edmonton Pension Plan and updates described in 5. Risks and Uncertainties.

4.11 Outstanding share information ----- The following is a summary of the outstanding shares for each class of equity at September 30, 2004 and at October 15, 2004. In addition, for October 15, 2004, the total number of outstanding and issuable shares is presented, assuming full conversion of convertible debentures, options and warrants. Class of equity security Common Non-Voting Total Shares Shares Shares outstanding outstanding outstanding At September 30, 2004 Common equity - Common Shares outstanding 193,089,342 - 193,089,342 Common equity - Non-Voting Shares outstanding - 163,233,857 163,233,857 ----- 193,089,342 163,233,857 356,323,199 (1) ----- At October 15, 2004 Common equity - Common Shares outstanding 193,214,854 - 193,214,854 Common equity Non-Voting Shares outstanding - 163,883,312 163,883,312 ----- 193,214,854 163,883,312 357,098,166 ----- Outstanding and issuable shares(2) at October 15, 2004 Common Shares and Non-Voting Shares outstanding 193,214,854 163,883,312 357,098,166 TELUS Corporation convertible debentures - 3,765,819 3,765,819 Options (3) 3,253,538 22,206,691 25,460,219 Warrants - 667,412 667,412 Channel stock incentive plan - 192,925 192,925 ----- 196,468,382 190,716,159 387,184,541

(1) For the purposes of calculating diluted earnings per share for the third quarter of 2004, the number of shares outstanding at September 30, 2004 was 361,814,289. (2) Assuming full conversion and ignoring exercise prices. (3) Not reduced by any options that may be forfeited or cancelled during the period October 1, 2004 to October 15, 2004.

4.12 Related party transactions ----- In 2001, the Company entered into an agreement with Verizon Communications Inc. ("Verizon"), a significant shareholder, with respect to acquiring certain rights to Verizon's software, technology, services and other benefits, thereby replacing and amending a previous agreement between the Company and GTE Corporation. The agreement is renewable annually at the Company's sole option up to December 31, 2008, and it has been renewed for 2005. As of September 30, 2004, in aggregate, \$312.1 million of specified software licences and a trademark licence have been acquired and recorded as capital and other assets. These assets are valued at fair market value at the date of acquisition as determined by an arm's-length party's appraisal. Assuming renewal through to 2008, the total commitment under the agreement is U.S.\$377 million for the period 2001 to 2008 and the commitment remaining after September 30, 2004, is U.S.\$87 million (December 31, 2003 - U.S.\$102 million). In the normal course of operations and on market terms and conditions, ongoing services and other benefits have been received and expensed. In connection with the 2001 disposition of TELUS' directory business to Verizon, the Company bills customers, and collects, for directory listings on Verizon's behalf. The Company owed Verizon, on a net basis and including directory rebilling and collections done on Verizon's behalf as well as dividends payable, \$39.4 million at September 30, 2004 (December 31, 2003 - \$40.9 million).

4.13 Revised Guidance for 2004 ----- Management has revised annual guidance for 2004: - Increased Consolidated and TELUS Mobility revenue and EBITDA guidance, while narrowing the range of TELUS Communications revenue and EBITDA guidance. Within the Communications segment, previous Non-ILEC revenue guidance was maintained, while the range for Non-ILEC EBITDA was narrowed. - Increased guidance for earnings per share. - Updated guidance for Free cash flow and Net debt to EBITDA to reflect early achievement of targets. - Increased guidance for TELUS Mobility wireless subscriber net additions, while maintaining expectations for TELUS Communications high-speed Internet net additions. ----- Revised guidance 2004 revised 2004 second 2004 original summary guidance quarter guidance targets ----- Consolidated \$7.5 to \$7.575 \$7.45 to \$7.55 Revenues billion No change billion ----- EBITDA(1) \$3.025 to \$3.075 \$2.975 to \$3.075 \$2.95 to \$3.05 billion billion billion ----- Earnings per share - basic \$1.40 to \$1.50 \$1.30 to \$1.50 \$1.05 to \$1.25 ----- Capital Approx. \$1.3 Approx. \$1.225 expenditures No change billion billion ----- Free cash flow(2) \$1.25 to \$1.3 \$1.15 to \$1.25 \$1.13 to \$1.23 billion billion billion ----- Net debt to EBITDA(3) 2.2 times 2.3 times 2.5 times or less or less or less -----

----- Communications segment Revenue (external) \$4.725 to \$4.775 \$4.7 to \$4.8 \$4.8 to \$4.85 billion billion billion ----- Non-ILEC revenue No change \$525 to \$550 Approx. \$610 million million ----- EBITDA \$1.925 to \$1.95 \$1.925 to \$1.975 \$1.975 to \$2.025 billion billion billion ----- Non-ILEC EBITDA (\$30) to (\$35) (\$30) to (\$40) Approx. \$5 million million million ----- Capital expenditures No change Approx. \$950 Approx. \$875 million million ----- High-speed Internet net additions No change No change Approx. 125,000 -----

----- Mobility segment Revenue (external) \$2.775 to \$2.8 \$2.675 to \$2.725 \$2.65 to \$2.7 billion billion billion ----- EBITDA \$1.1 to \$1.125 \$1.05 to \$1.1 \$975

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million to billion billion \$1.025 billion ----- Capital expenditures No change No  
change Approx. \$350 million ----- Wireless subscriber net additions 425,000 to  
No change 375,000 to 475,000 425,000 ----- (1) Earnings Before Interest, Taxes,  
Depreciation and Amortization as calculated below. The reconciling items below are Management's best estimates at this time and are not  
intended to provide guidance for each individual reconciling item. (\$millions) 2004 revised guidance 2004 original target  
----- Operating revenues 7,500 to 7,575 7,450 to 7,550 Less Operations expense and  
restructuring and workforce reduction costs 4,475 4,500 4,500 4,500 ----- EBITDA  
3,025 to 3,075 2,950 to 3,050 ----- (2) Defined as EBITDA, adding Restructuring and  
workforce reduction costs, cash interest received and excess of share compensation expense over share compensation payments,  
subtracting cash interest paid, cash taxes, capital expenditures, and cash restructuring payments. The reconciling items below are  
Management's best estimates at this time and are not intended to provide guidance for each individual reconciling item. (\$ millions) 2004  
revised guidance 2004 original target ----- EBITDA 3,025 to 3,075 2,950 to 3,050  
----- Restructuring and workforce reduction costs, net of cash payments (65) (65) (85)  
(85) Excess of share compensation expense over payments 25 25 35 35 Cash interest paid net of cash interest received (610) (610) (650)  
(650) Income taxes received (paid) excluding investment tax credits received 175 175 105 105 Capital expenditures (capex) (1,300)  
(1,300) (1,225) (1,225) ----- Free cash flow 1,250 to 1,300 1,130 to 1,230  
----- (3) Net Debt to EBITDA, where EBITDA excludes Restructuring and workforce  
reduction costs. This measure is substantially the same as the Leverage Ratio covenant in TELUS' credit facilities.  
----- 5. Risks and uncertainties The following are updates to the risks and  
uncertainties described in TELUS' 2003 Annual Report and 2004 first and second quarter Management's discussion and analyses,  
including filings on SEDAR (www.sedar.com) and filings on EDGAR (www.sec.gov). 5.1 Competition Wireless competition With  
Roger's Wireless bid for Microcell and the expected entry of the Virgin Group to provide services on a resale basis from Bell Mobility, the  
four national competitor market will likely be maintained. In addition, other competitors may offer wireless services regionally or  
nationally on a resale basis. There is risk that increased competition by all industry players could lead to pricing pressures and higher costs  
of acquisition in the future. TELUS Mobility intends to manage this risk by continuing to focus on profitable subscriber growth. 5.2  
Regulation - wireline operations Proceedings under Telecom Public Notice CRTC 2004-2 - Regulatory framework for voice  
communication services using Internet Protocol In September 2004, TELUS made its oral presentation at the CRTC's public hearings on  
the regulatory framework for voice communication services using Internet Protocol, also known as VoIP. The decision on how to regulate  
VoIP services will set the Canadian competitive rules for ILECs, cable-TV companies, foreign-based competitors and others. The CRTC is  
expected to announce its decision in the first quarter of 2005. Positions presented at the hearings included: - TELUS' argument that all  
access-independent providers of VoIP services should be forborne from rate regulation. - Bell Canada's position that all VoIP services,  
whether access-dependent or access-independent, should be forborne from rate regulation. - Cable-TV companies' and Competitive Local  
Exchange Carriers' ("CLECs") arguments that any VoIP services provided by an ILEC should be fully regulated when offered in an ILEC  
territory. 5.3 Process risks Integration of customer-facing business units in the Communications Segment There can be no assurance that  
the recent integration of sales, marketing, solutions development, customer care and shared services of Business Solutions and Client  
Solutions will result in the operational efficiencies and organizational effectiveness that management currently expects. 5.4 Claims and  
lawsuits Uncertified class action ----- A class action was brought August 9, 2004, under the Class Actions Act  
(Saskatchewan), against a number of past and present wireless service providers including the Company. The claim alleges that each of the  
carriers is in breach of contract and has violated competition, trade practices and consumer protection legislation across Canada in  
connection with the collection of system access fees, and seeks to recover direct and punitive damages in an unspecified amount. The class  
has not been certified and procedural objections to certification have been identified. The Company further believes the claim is unsound  
on the merits. Should the ultimate resolution of this action differ from management's assessments and assumptions, a material adjustment  
to the Company's financial position and the results of its operations could result. /For further information: Media Relations: Investor  
Relations: Nick Culo, (780) 493-7236, John Wheeler, (780) 493-7310, nick.culo(at)telus.com; ir(at)telus.com/ (T. T.NV. TU)  
SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed  
on its behalf by the undersigned, thereunto duly authorized. Dated: October 29, 2004 TELUS Corporation /s/ Audrey Ho  
\_\_\_\_\_  
Name: Audrey Ho Title: Vice President, Legal Services and General Counsel and Corporate Secretary