ELLIOTT

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Elliott Management Proposes Operational and Strategic Review of Crown Castle's Fiber Business

Highlights Clear Evidence that Crown Castle is Undermanaging its Fiber Assets; COO Resignation Yet Another Example

Strong Interest from Outside Parties Who See Significant Opportunity for Improved Performance and Value Creation

Full Letter Available at www.reclaimingthecrown.com

NEW YORK (August 17, 2020) – Elliott Management Corporation ("Elliott") today sent a letter to the Board of Crown Castle International Corp. ("Crown Castle" or the "Company") proposing an immediate operational and strategic review of the Company's fiber business.

According to the letter, Elliott sees Crown Castle's responses to the issues Elliott identified in the Company's fiber business to be inadequate to the scale of the required change. To remedy the situation, and in response to demonstrated interest in the fiber business from highly accomplished fiber executives and credible financial buyers, the letter called on Crown Castle to begin an immediate operational and strategic review of the business and outline the best path to maximize value and position Crown Castle to finally fulfill its significant potential.

The letter can be downloaded at www.reclaimingthecrown.com.

The full text of the letter follows:

August 17, 2020

Crown Castle International Corp.
1220 Augusta Drive
Suite 600
Houston, TX 77057

Dear Members of the Board:

We are writing to you again on behalf of Elliott Associates, L.P. and Elliott International, L.P. (together, "Elliott" or "we") regarding our investment in Crown Castle International Corp. ("Crown Castle" or the "Company"). On July 6th, Elliott published a letter and presentation in which we demonstrated with facts and analysis that the Company's fiber strategy was detracting from shareholder returns and would continue to do so unless significant changes were made. We subsequently published a follow-up letter calling on the Company to present a multi-year plan and critical performance metrics to allow investors to judge for themselves whether the current fiber and small cell strategy is value-accretive to shareholders.

Since then, Crown Castle has made a number of public statements and announced changes purporting to respond to our findings and analysis:

- A July 6th press release attempting to justify its long-term underperformance by comparing itself to anything except its direct peers, American Tower and SBA. Noticeably absent was any analysis-driven response to the issues we highlighted with the Company's fiber and small cell strategy.

- A series of corporate governance changes, including the implementation of a mandatory retirement age, the transition of five directors (the Chairman included) off the Board and a review of the executive compensation policy. While these changes seemed to acknowledge the accuracy of many shareholders' concerns, these reactive steps were immediately and correctly identified by a well-known REIT investor as a "classic entrenchment maneuver." The move strengthened our conviction that Crown Castle's lax oversight has enabled the pronounced capital allocation issues we see today.

- A Q2 earnings call in which the Company declined to commit to the kind of transparency in the fiber business that we and many other shareholders and analysts had been calling for, offering only the excuse that a multi-year plan is "obviously very difficult to make happen in a public context." Not only is this mistaken assertion at odds with most leading public companies, but also, more troublingly, when asked directly about what "success" would look like for the fiber business, Crown Castle was unable to define it.

- An attempt yet again to provide self-selected market data and anecdotal evidence that the fiber strategy is on track, including by highlighting Orlando as a "key market" case study for the success of its strategy and the model going forward. Highlighting a market where *less than 1% of fiber capital* has been spent is not a credible demonstration that the strategy as a whole is on track, and the Company's reliance on such snapshots is further evidence that Crown Castle either does not have comprehensive data or does not like its conclusion.

- The announced departure of the COO of the fiber segment, the executive who led the Company's acquisition integration efforts despite having no prior experience in the fiber industry. This departure seems to confirm that Crown Castle shares our belief that its fiber strategy is in urgent need of new leadership with fiber expertise.

Taken together, these actions paint a picture of a Company that seems to know there is a problem, but refuses to acknowledge it. The Company's hope appears to be that this series of incremental steps and rear-guard actions will be enough to avoid the kind of real discipline, transparency and accountability in the fiber business and capital allocation broadly that investors are demanding.

The problem is that real change must begin by acknowledging that there is a need for it. Today — six weeks since the publication of our first letter and three months since we first began to engage with the Company privately — Crown Castle still has not put forward a credible plan to improve performance in its fiber business. After spending $11 billion on fiber acquisitions, losing all key executive talent from those businesses, repeatedly missing publicly stated fiber targets and now parting ways with the COO of the fiber segment, when will Crown Castle admit there is a problem and begin to engage constructively with shareholders on a path forward that will lead to success?

As we have stated numerous times to you, we are bullish on the fiber industry. We have seen how well-run fiber businesses can compound long-term value if operated with prudence and capital discipline — attributes that are sorely needed at Crown Castle. Our "Reclaiming The Crown" plan attempted to reshape the Company's existing strategy into one that can actually create long-term equity value in fiber and provide the necessary Board oversight to ensure performance. However, it is becoming clear that this management team does not understand what they bought (and spent $16 billion building) and does not understand how to run the business better. Comparisons to the tower industry — such as the one made by the CFO last week in yet another attempt to justify subpar returns in the fiber business — underscore this conclusion.

The most common question we have received from investors has been the following: "Why did Elliott not advocate for a sale or spin of the fiber business?" Our answer is that, unless Crown Castle can demonstrate that it is the best owner of these assets and can run the segment with greater prudence in capital spending and with ROIs that are value accretive, Crown Castle should also consider alternative paths. In fact, we have received numerous inbounds from highly accomplished fiber executives and credible financial buyers who are confident that they can run the fiber business better than Crown Castle. We believe the Company and its advisors have received this interest as well.

As we have consistently stated, our preference is for constructive engagement on a clear and credible path forward for the fiber business that can gain widespread shareholder support. We stand ready to continue that engagement. However, in the absence of any such plan — or even an acknowledgement from Crown Castle that one is needed — we believe that Crown Castle needs to consider the idea that partnering with a capable investor and top-tier fiber operators to manage its fiber assets might be the value-maximizing course of action.

As a large shareholder focused on long-term value at the Company, **we believe it is imperative that Crown Castle begin an immediate operational and strategic review of the business** and subsequently outline the best path to maximize value and position Crown Castle to finally fulfill its significant potential. We look forward to continued engagement with the Company.

Best regards,

Jesse Cohn
Partner

Jason Genrich
Portfolio Manager

About Elliott

Elliott Management Corporation manages two multi-strategy investment funds which combined have approximately $41 billion of assets under management. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest funds under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of the firm.

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