



## ***NEWS RELEASE***

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### **FiberTower Elects PIK Option for May Interest Payment Under its Convertible Notes**

**San Francisco, CA., March 27, 2009** – FiberTower Corporation (NASDAQ: FTWR), a wireless backhaul services provider, today announced that it has elected to pay the upcoming May 15, 2009 interest payment on its 9.00% Convertible Senior Secured Notes due 2012 (the “Notes”) entirely by the issuance of additional Notes, as permitted under the indenture governing the Notes. The carrying value of the Notes as of December 31, 2008 was \$430.3 million (including \$28.9 million in accreted value). The Company has the option of making any or all of the four semi-annual interest payments due in 2009 and 2010 with additional Notes in lieu of cash. The interest rate applicable to any such interest payments made in additional Notes will be 11%.

#### **About FiberTower**

FiberTower is a backhaul and access services provider focused primarily on the wireless carrier market. With its extensive spectrum footprint in 24 GHz and 39 GHz bands, carrier-class microwave and fiber networks in 13 major markets, customer commitments from six of the leading cellular carriers, and partnerships with the largest tower operators in the U.S, FiberTower is considered to be the leading alternative carrier for wireless backhaul. FiberTower also provides backhaul and access service to government and enterprise markets. For more information, please visit our website at [www.fibertower.com](http://www.fibertower.com).

## **Forward Looking Statements**

Statements included in this news release which are not historical in nature are “forward-looking statements” within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These include, without limitation, statements regarding the Company’s planned capital expenditures, expected cost per site, anticipated customer growth and expansion plans. There are many risks, uncertainties and other factors that can prevent the achievement of goals or cause results to differ materially from those expressed or implied by these forward-looking statements including, without limitation, difficulties in integrating operations after our merger in 2006, anticipated negative cash flows and operating losses, additional liquidity requirements, potential loss of significant customers, downturns in the wireless communication industry, regulatory costs and restrictions, potential loss of FCC licenses, equipment supply disruptions and cost increases, and competition from alternative backhaul service providers and technologies, along with those risk factors described in the Company’s filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.