

**FIBERTOWER CORPORATION
THIRD QUARTER 2006
CONFERENCE CALL SCRIPT**

[OPERATOR]

Good morning, ladies and gentlemen. Thank you for standing by. Welcome to the FiberTower Corporation third quarter 2006 earnings conference call. During the presentation all participants will be in a listen-only mode. After the speakers' remarks you will be invited to participate in a question-and-answer session. As a reminder, ladies and gentlemen, this conference is being recorded today, November 10, 2006. I would now like to turn the call over to today's host, Gus Okwu. Sir, you may begin.

GUS OKWU

Good morning, everyone. Thank you for joining us for FiberTower Corporation's third quarter conference call. Joining me today on the call are Mike Gallagher, FiberTower's President and CEO, and FiberTower's CFO, Tom Scott.

The agenda for today will be as follows. Mike will first provide an overview of the company for those of you unfamiliar with our story. Tom will then follow with a detailed look at FiberTower's financial and operational results. And, finally, Mike will provide closing comments and open the call up to questions.

FiberTower issued a press release last night with details of our quarterly financial and operating results. This document is available in the press release section of our website at www.fibertower.com. A replay of today's call will be available beginning one hour after completion of this call until 11:59 A.M. Eastern Time on November 17th. The replay may be accessed by dialing 303-590-3000. The

access code for the replay is 11 07 45 38#. Please note that information reported on this call speaks only as of today, November 10, 2006, and therefore you are advised that time-sensitive information may no longer be accurate as of the time of any replay.

I should also mention that our comments today contain forward-looking statements, within the meanings of the Private Securities Litigation reform Act of 1995. Our use of words such as “anticipate”, “expects”, “intends”, “plans”, “believes”, “may”, “will” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements include by way of example, revenue and margin expectations or projections, and various references to trends in the industry and to FiberTower’s business. Such statements reflect our current views with respect to future events, and are subject to risks, uncertainties and other factors, some of which are beyond our control that could cause the company’s actual results to differ materially from those anticipated in these forward looking statements.

There are many risks, uncertainties and other factors that can prevent the company from achieving its goals or cause the company’s actual results to differ materially from those expressed or implied by the forward-looking statements contained in our comments today. These factors and others are more fully discussed under risk factors, and FiberTower’s readily available Forms 10-K and 10-Q, as filed with the Securities and Exchange Commission.

I would finally advise you that this conference call is being broadcast live through an Internet Webcast system that can be accessed on our webpage at www.fibertower.com. Now, I'd like to turn the call over to Mike Gallagher.

MIKE GALLAGHER

Thank you, Gus. Good morning ladies and gentlemen and thank you for joining us for our third quarter 2006 earnings call, our first earnings call after the completion of First Avenue Network's merger with FiberTower. The last two months since closing of the merger have been an exciting time. Before I begin my prepared remarks, let me first express my appreciation to our employees for their dedication and effort in maintaining their focus on the business at hand and helping to position us as the leading provider of wireless backhaul services. We believe the steps we have taken over the last few months are quite significant when taken in context with trends occurring in the wireless space. Let me begin with a short overview on our business.

FiberTower is a backhaul and access services provider that is focused primarily on the wireless carrier market. Utilizing our nationwide wireless spectrum footprint in the 24 and 39 GHz bands, we deliver high capacity transport and access solutions over our carrier-class networks that are currently deployed in 12 major U.S. markets. These networks utilize microwave technology to carry voice,

video or data traffic between wireless base stations located on towers and rooftops to a central access point on our network. Customer cell site traffic is then linked to the wireless customer's switch or other drop location by leased fiber. We currently have contracts featuring terms, generally, of no less than five years, with five of the leading wireless carriers in the U.S. and are in ongoing discussion with several others. Our existing customers include Cingular Wireless, Sprint Nextel, T-Mobile, Verizon Wireless and MetroPCS. We currently operate in twelve markets in the U.S. and have access to high quality tower sites through our strategic relationships with Crown Castle, Inc. and American Tower. These two partners currently control over 34,500 towers, but this number will increase to over 45,000 sites once Crown Castle's recently announced acquisition of Global Signal closes. We now have almost **1,800** sites deployed of which more than 970 are billing. On these billing sites, we have over 1,300 customer locations (or tenants) billing. And, finally, we own wireless licenses that cover virtually the entire U.S. representing approximately 1.5 billion channel POPs. Our 24 GHz licenses cover the top 77 markets. Our 39 GHz licenses cover 99% of the U.S. and we also have available our common carrier licenses in the 11, 18 and 23 GHz bands.

Wireless carriers are currently contending with a number of factors that have crystallized their need for an alternative backhaul solution. First, the cost of backhaul is becoming a significant factor for carriers when calculating their operating budgets. Their ability to improve margin performance is challenged by

the fact that backhaul expense growth is far outpacing revenue growth. Current wireless networks in the U.S. rely largely on copper for backhaul in contrast to the rest of the world where microwave is predominantly used. However, more U.S. carriers now recognize the limitations of the copper infrastructure in supporting 3G network requirements and applications. With these next generation network deployments, capacity requirements at cell sites will increase dramatically, leading to what is called copper exhaustion. Copper exhaustion is where copper reaches its maximum capacity limit at cell towers, and according to analysts, it's only around 18 T1s. In addition, carriers are now also considering network platforms that will facilitate a seamless transition from T-1s to Ethernet. One of our distinct advantages is that we can provide T1 and Carrier Ethernet services from the same network architecture, so we can future proof tomorrow's bandwidth needs today. Once we install our sites, there is little incremental capital required to upgrade bandwidth whether it be TDM or Ethernet. That scalability has been publicly cited by carriers as a key requirement for any backhaul decision.

The market opportunity in backhaul is evident with the ongoing deployment of next generation wireless networks. Just a few weeks ago, Sprint announced the launch of its first EVDO Rev A network in San Diego and expects to launch in twenty additional markets by year-end 2006. Sprint also announced that it expects to spend almost \$2 billion on its 4G rollout in 2007. T-Mobile has announced its plan to spend almost \$3 billion over the next three years on its

own nationwide UMTS/HSDPA network. MetroPCS and Leap Wireless both spent in excess of \$1 billion acquiring AWS licenses; a strong indication of their desire to significantly expand their network capacity. Wireless carriers third quarter results also confirmed the industry's ongoing need for capacity as Cingular Wireless and Verizon Wireless announced strong subscriber growth and, more importantly, data growth. AT&T announced on its third quarter earnings call, that its wireless subsidiary, Cingular Wireless, reported a 46% increase in data ARPU and also indicated that it expects Cingular's 3G UMTS/HSDPA network rollout to cover most of the major U.S. markets by year-end 2006. All of these events point to a growing commitment by wireless service carriers to facilitate wider deployment of high capacity services in their respective markets. This, in turn, will require enormous backhaul growth at existing cell sites and the build out of entirely new sites. Consequently, we believe that our first mover status coupled with our strategic partnerships - with American Tower and Crown Castle – as well as our nationwide network, position us favorably for the near and intermediate term.

With respect to the intermediate term, we announced yesterday the closing of a \$402.5 million six-year convertible senior notes offering and we are very proud of that accomplishment. Tom will provide more details on the offering. The funds will be used to support network expansion in our existing twelve markets - as well as any new markets that we open - and also for general corporate purposes.

With that said, let me turn the call over to Tom who will discuss our quarterly results.

TOM SCOTT

Thank you, Mike. Good morning everyone and thank you for joining us. First, please note that on August 29, 2006, FiberTower Corporation and First Avenue Networks completed a merger pursuant to a merger agreement executed on May 14, 2006. Under that merger agreement, First Avenue acquired all of the outstanding shares and stock options of FiberTower in exchange for the issuance of shares and options of First Avenue. The merger was accounted for as a reverse acquisition of First Avenue by FiberTower. Consequently, the following financial discussion reflects new FiberTower Corporation's operating results and also represents the first consolidated quarter of results for the merged entity.

Last night, we released our results for the 2006 third quarter and nine months ended September 30, 2006. Our results continued to show steady growth across the business beginning with service revenues, which grew by \$2.4 million to \$4.0 million during the quarter representing an increase of 135% from the corresponding period in 2005.. Recurring revenues represented \$3.4 million of the \$4.0 million of which \$600,000 related to one-time early termination charges incurred by one of our large customers' network integration activities which are largely completed. It is also important to note, however, that we continue to add sites in this and other markets with this carrier. Cost of service revenues -

excluding depreciation and amortization - for the third quarter increased \$5.2 million, or 105%, to \$10.1 million from \$4.9 million for the corresponding period in 2005. Sales and marketing expenses for the third quarter of 2006 increased \$883,000, or 105%, to \$1.7 million from \$841,000 in the corresponding period in 2005. General and administrative expenses for the quarter increased \$4.1 million, or 354%, to \$5.2 million from \$1.2 million for the corresponding period in 2005.

Over the nine month period ended September 30, 2006, service revenues grew by \$5.7 million to \$9.7 million representing an increase of 146% from the corresponding period in 2005. The one-time recurring revenue of \$600,000 mentioned previously was all booked during the third quarter. Cost of service revenues - excluding depreciation and amortization - increased by \$12.8 million to \$25.0 million representing an increase of 104% from the corresponding period in 2005. Sales and marketing expenses for the nine months ended September 30, 2006 increased \$1.6 million, or 61%, to \$4.2 million from \$2.6 million for the same period in 2005. General and administrative expenses for the nine months period increased \$6.4 million, or 215%, to \$9.4 million from \$3.0 million for the same period in 2005. . Net loss was \$31.0 million through September 2006 as compared to a net loss of \$14.9 million for the same period in 2005.

Our cost of service revenues grew due to additional costs in site rent, fiber provider costs and field personnel incurred to build and support new billing sites. Sales and marketing expense increased during the period due to our continuing efforts to expand our service to customers in existing markets while general and

administrative expenses grew due to an increase in headcount, professional fees including public company related expenses, and stock-based compensation related to the adoption of FAS 123(R).

The increase in service revenues was driven primarily by an expansion in new billing sites and an increase in billing T-1 equivalents during the quarter and in the previous twelve months coupled with new customers on existing sites. As of September 2006, we had 5.29 billing T-1s per billing site and 3.86 billing T-1s per customer location or tenant.. Sites deployed as of the third quarter of 2006 were 1,768. This represented a growth of 31% over June 30, 2006 and an almost 200% increase over the previous 12 month period. Billing sites as of the third quarter of 2006 were 974 representing an increase of 22% over the previous quarter and an 86% increase from September 30, 2005. Customer locations billing in the third quarter of 2006 were 1,334 representing an increase of 21% from June 30, 2006 and increase of 114% from the third quarter of 2005.. Billing T-1 equivalents were 5,156 in the third quarter of 2006 which increased 13% from the previous quarter and 103% from the corresponding period in 2005.

Our capex during the last nine months ended September 30, 2006 totaled \$75.3 million which was mostly directed towards investment in network equipment, site construction costs and back office systems. We expect to continue investing in a similar fashion next year and have budgeted approximately \$100 million for capex in 2007.

Before I turn the call back to Mike for Q&A, let me touch on the recently completed offering. As you may be aware, we announced yesterday that we closed on a private placement of \$402.5 million of 9% Convertible Senior Secured Notes. The Notes will be guaranteed by FiberTower and each of the Company's subsidiaries and will be secured by substantially all of the Company's assets. The company also has the ability obtain a working capital facility of up to \$50 million. The Notes will mature on November 15, 2012 and will bear interest at 9% payable in arrears on May 15 and November 15 each year. The holders of the Notes may convert the Notes into common shares at an effective price of \$8.29 per share. However, the conversion price may be reduced if certain conditions set for the Company are not met. The sale of the Notes generated net proceeds of approximately \$390 million, of this approximately \$69 million will be used to fund the first 2 years of interest expense on the Notes which leaves the company with \$321 million to expand our existing network, open new markets and for general corporate purposes. As Mike mentioned earlier, we are very proud of this accomplishment and are energized by the prospect of having the capital to deploy our networks and really be able to focus on executing our business model. We believe the capital raised will enable us capitalize on the current and future opportunities in the backhaul space. With that, I'll turn the call over to Mike for Q&A.

MIKE GALLAGHER

In Summary,

WELL AS YOU HEARD, OUR PERFORMANCE DURING THE QUARTER AND OVER THE PAST NINE MONTHS REFLECTS THE CONTINUED BUILD-OUT OF OUR NETWORK AS WELL AS ONGOING DEMAND FROM THE WIRELESS CARRIERS FOR HIGH CAPACITY NETWORKS DRIVEN BY CONTINUED GROWTH IN NEW SUBSCRIBERS AND DATA USAGE.. ADDITIONALLY, FOLLOWING THE CLOSE OF THE QUARTER, WE CLOSED ON A CONVERTIBLE SENIOR SECURED NOTES OFFERING THAT EFFECTIVELY ELIMINATES ANY NEAR-TERM LIQUIDITY CONCERNS AND ALLOWS US TO CONCENTRATE OUR EFFORTS ON DELIVERING RESULTS. DESPITE THESE ACCOMPLISHMENTS, WE WILL CONTINUE TO LOOK FOR WAYS TO IMPROVE OUR COMPETITIVE POSITION AND IMPROVE OUR ACCESS TO CAPITAL AS WE GROW THE COMPANY. WE ARE OPTIMISTIC ABOUT THE OUTLOOK GOING FORWARD.

Thank you very much.

Before we begin taking questions, I would like to remind you that a replay of this teleconference will be available beginning an hour after we conclude the call. We will provide that number again at the end of the call. Now let me turn it back to the operator for Q&A.

OPERATOR [...]

[Call instructions]

[Q&A]

MIKE GALLAGHER

[Operator] we have time for one more question.

OPERATOR [Last Q&A]

At this time, the Q&A session has now ended. Are there any closing remarks?

MIKE GALLAGHER

Thank you again for participating in today's call.

We hope you will join us again for our next conference call to discuss our fourth quarter results.

GUS OKWU

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(Conference call concluded)