AMERICAN TOWER CORP /MA/
Form DEFM14A
October 11, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement.

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).

x Definitive Proxy Statement.

¨ Definitive Additional Materials.

¨ Soliciting Material Pursuant to §240.14a-12.

American Tower Corporation

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Proxy Statement/Prospectus

October 7, 2011

Dear Stockholder:

I am pleased to invite you to attend a special meeting of stockholders of American Tower Corporation, or American Tower, a Delaware corporation, which will be held on November 29, 2011 at 11:00 a.m., local time, in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts 02116.

I am also pleased to report that the American Tower board of directors has unanimously approved a plan to reorganize the business operations of American Tower to allow American Tower to be taxed as a real estate investment trust, or REIT, for federal income tax purposes. We refer to this reorganization plan as the REIT conversion.

The REIT conversion will be implemented through a series of steps including, among other things, the merger of American Tower into American Tower REIT, Inc., or American Tower REIT, a Delaware corporation and wholly owned subsidiary of American Tower, which was recently formed in connection with the REIT conversion. Effective at the time of the merger, American Tower REIT will be renamed American Tower Corporation and will hold, directly or indirectly through its subsidiaries, the assets currently held by American Tower and will conduct the existing businesses of American Tower and its subsidiaries. In the merger, you will receive a number of shares of American Tower REIT common stock equal to, and in exchange for, the number of shares of American Tower Class A common stock you own. We anticipate that the shares of American Tower REIT common stock will trade on the New York Stock Exchange under the symbol AMT.

The affirmative vote of the holders of a majority of the outstanding shares of Class A common stock entitled to vote is required for the adoption of the merger agreement. After careful consideration, the board of directors has unanimously approved the REIT conversion, including the merger and other reorganization transactions, and recommends that all stockholders vote FOR the adoption of the merger agreement.

This proxy statement/prospectus is a prospectus of American Tower REIT as well as a proxy statement for American Tower and provides you with detailed information about the REIT conversion, the merger and the special meeting. **We encourage you to read carefully this entire proxy statement/prospectus, including all its annexes, and we especially encourage you to read the section entitled Risk Factors beginning on page 19.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of common stock to be issued by American Tower REIT under this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated October 7, 2011 and is being first mailed to stockholders on or about October 11, 2011.

Sincerely,
James D. Taiclet, Jr.
Chairman of the Board, President and

Chief Executive Officer

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AMERICAN TOWER CORPORATION

116 Huntington Avenue

Boston, Massachusetts 02116

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF

AMERICAN TOWER CORPORATION

TO BE HELD ON NOVEMBER 29, 2011

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of American Tower Corporation, a Delaware corporation, will be held on November 29, 2011 at 11:00 a.m., local time, in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts 02116, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated August 24, 2011 between American Tower Corporation and American Tower REIT, Inc., a newly formed wholly owned subsidiary of American Tower, which is part of the reorganization through which American Tower intends to qualify as a real estate investment trust, or REIT, for federal income tax purposes; and

2. To consider and vote upon a proposal to permit American Tower s board of directors to adjourn the special meeting, if necessary, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposal.

The board of directors of American Tower has approved and recommends that you vote FOR the proposals that are described in more detail in this proxy statement/prospectus.

American Tower reserves the right to cancel or defer the merger or the REIT conversion even if stockholders of American Tower vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if the American Tower board of directors determines that the merger or the REIT conversion are no longer in the best interests of American Tower and its stockholders.

If you own shares of American Tower Class A common stock as of the close of business on October 3, 2011, you are entitled to notice of, and to vote those shares by proxy or at the special meeting and at any adjournment or postponement of the special meeting. During the ten-day period before the special meeting, American Tower will keep a list of stockholders entitled to vote at the special meeting available for inspection during normal business hours at American Tower s offices in Boston, Massachusetts, for any purpose germane to the special meeting. The list of stockholders will also be provided and kept at the location of the special meeting for the duration of the special meeting, and may be inspected by any stockholder who is present.

Your vote is important. Whether or not you plan to attend the special meeting in person, please complete, sign, date and promptly return the enclosed proxy card and return it in the enclosed envelope. You may also authorize a proxy to vote your shares by telephone or over the Internet as described in your proxy card. Stockholders who return proxy cards by mail or vote by telephone or over the Internet prior to the special meeting may nevertheless attend the special meeting, revoke their proxies and vote their shares at the special meeting.

We encourage you to read the attached proxy statement/prospectus carefully. If you have any questions or need assistance voting your shares, please call our proxy solicitor, Alliance Advisors, LLC, toll-free at (877) 777-4575.

By order of the board of directors,

Edmund DiSanto
Executive Vice President, Chief Administrative

Officer, General Counsel and Secretary

Boston, Massachusetts October 7, 2011

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WHERE YOU CAN FIND MORE INFORMATION

American Tower files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. American Tower s SEC filings are available to the public over the Internet at the SEC s website at http://www.sec.gov. Please note that the SEC s website is included in this proxy statement/prospectus and any applicable prospectus supplement as an inactive textual reference only. The information contained on the SEC s website is not incorporated by reference into this proxy statement/prospectus and should not be considered to be part of this proxy statement/prospectus, except as described in the following paragraph. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility.

We incorporate by reference into this proxy statement/prospectus, which means that we can disclose important information to you by referring you specifically to those documents. The information incorporated by reference is an important part of this proxy statement/prospectus. Certain information that we subsequently file with the SEC will automatically update and supersede information in this prospectus and in our other filings with the SEC. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or Exchange Act, between the date of this proxy statement/prospectus and the date of the special meeting, except that we are not incorporating any information included in a Current Report on Form 8-K that has been or will be furnished (and not filed) with the SEC, unless such information is expressly incorporated herein by reference to a furnished Current Report on Form 8-K or other furnished document:

- our Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on February 28, 2011;
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011 filed with the SEC on May 5, 2011 and August 4, 2011, respectively;
- the information in our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 7, 2011 that is deemed filed with the SEC under the Exchange Act;
- our Current Reports on Form 8-K filed with the SEC on January 31, 2011, March 8, 2011, March 16, 2011, April 12, 2011, May 19, 2011, June 3, 2011, August 25, 2011, September 7, 2011, September 22, 2011, October 4, 2011 and October 6, 2011; and
- the description of our Class A common stock contained in our Registration Statement on Form 8-A filed with the SEC on June 4, 1998 under the Exchange Act, and any subsequent amendments and reports filed to update such description.

You may request a copy of these filings at no cost, by writing or calling us at the following address: 116 Huntington Avenue, Boston, Massachusetts 02116, Telephone: (617) 375-7500, Attention: Investor Relations.

American Tower REIT, Inc., or American Tower REIT, has filed a registration statement on Form S-4 to register with the SEC the American Tower REIT common stock that American Tower stockholders will receive in connection with the merger if the merger is approved and completed. This proxy statement/prospectus is part of the registration statement of American Tower REIT on Form S-4 and is a prospectus of American Tower REIT and a proxy statement of American Tower for its special meeting.

Upon completion of the merger, American Tower REIT will be required to file annual, quarterly and special reports, proxy statements and other information with the SEC.

You should only rely on the information in, or incorporated by reference into, this proxy statement/prospectus. No one has been authorized to provide you with different information. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than the date on the front page. We are not making an offer to exchange or sell (or soliciting any offer to buy) any securities, or soliciting any proxy, in any state where it is unlawful to do so.

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QUESTIONS AND ANSWERS ABOUT THE REIT CONVERSION AND THE MERGER

What follows are questions that you, as a stockholder of American Tower Corporation, or American Tower, may have regarding the REIT conversion, the merger and the special meeting of stockholders, or the special meeting, and the answers to those questions. You are urged to carefully read this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety because the information in this section may not provide all of the information that might be important to you with respect to the REIT conversion and the merger or the special meeting. Additional important information is contained in the annexes to, and the documents incorporated by reference into, this proxy statement/prospectus.

The information contained in this proxy statement/prospectus, unless otherwise indicated, assumes the REIT conversion and all the transactions related to the REIT conversion, including the merger, will occur. When used in this proxy statement/prospectus, unless otherwise specifically stated or the context otherwise requires, the terms Company, American Tower, we, our and us refer to American Tower Corporation and its subsidiaries with respect to the period prior to the merger, and American Tower REIT and its subsidiaries, including the taxable REIT subsidiaries, with respect to the period after the merger.

Q. What are we planning to do?

A. The board of directors of American Tower has approved a plan to reorganize American Tower s business operations so that American Tower can elect to be treated as a real estate investment trust, or REIT, for federal income tax purposes. We refer to this plan, including the related reorganization transactions, as the REIT conversion. The board of directors of American Tower has determined that the REIT conversion would be in the best interests of American Tower and its stockholders. The REIT conversion includes the following key elements:

- a reorganization of our business operations to facilitate the election to be taxed as a REIT for federal income tax purposes;
- the payment of a one-time special distribution, expected to be paid in the fourth quarter of 2011, to distribute our accumulated earnings and profits, if any, prior to the REIT conversion; and
- the payment of regular quarterly distributions, the amount of which will be determined, and is subject to adjustment, by the board of directors and the declaration of which is expected to commence in the first quarter of 2012.

Q. What is a REIT?

A. A REIT is a company that qualifies for special treatment for federal income tax purposes because, among other things, it derives most of its income from real estate-based sources and makes a special election under the Internal Revenue Code of 1986, as amended, or the Code. American Tower intends to operate as a REIT that principally invests in, and derives most of its income from, leasing towers, including wireless and broadcast communications towers.

A corporation that qualifies as a REIT generally is not subject to federal income taxes on its corporate income and gains that it distributes to its stockholders, reducing its corporate level income taxes and substantially eliminating the double taxation of corporate income.

Even if we qualify as a REIT, we may continue to be required to pay federal income tax on earnings from all or a portion of our non-REIT assets or operations, which consist primarily of our network development services segment and distributed antenna system networks, or DAS networks, as currently structured and operated. In addition, our international assets and operations will continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted and will not initially be designated as part of our REIT operations. We also may be subject to federal income and excise taxes in certain circumstances, as well as state, local, and foreign income, franchise, property and other taxes.

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Q. What will happen in our REIT conversion?

A. The REIT conversion involves the following key elements:
Merger. American Tower will merge with and into American Tower REIT, a newly formed, wholly owned subsidiary of American Tower, and American Tower REIT will be the surviving entity in the merger and will continue the business and assume the obligations of American Tower. We refer to this transaction in this proxy statement/prospectus as the merger. The merger will facilitate our compliance with REIT tax rules by ensuring the effective adoption of the charter provisions that implement share ownership and transfer restrictions required by the REIT tax rules.

As a consequence of the merger:

- there will be no change in the assets we hold or in the businesses we conduct;
- there will be no fundamental change to our discretionary capital allocation strategy or current operational strategy;
- the existing board of directors and executive management of American Tower prior to the merger will be the board of directors and executive management, respectively, of American Tower REIT immediately following the merger;
- the outstanding shares of Class A common stock of American Tower, which we refer to as Class A common stock, will convert into the right to receive the same number of shares of common stock of American Tower REIT, which we refer to as American Tower REIT common stock;
- effective at the time of the merger, American Tower REIT will be renamed American Tower Corporation and will become the publicly traded New York Stock Exchange listed company that will continue to operate, directly or indirectly, all of our existing business; and
- the rights of the stockholders of American Tower REIT will be governed by the restated certificate of incorporation of American Tower REIT, which we refer to as the American Tower REIT Charter, and the By-Laws, as amended, of American Tower REIT, which we refer to as the American Tower REIT By-Laws.

Other Reorganization Transactions. To comply with certain REIT qualification requirements, we must hold and operate certain of our assets that cannot be held directly by American Tower REIT through one or more taxable REIT subsidiaries, or TRSs. A TRS is a subsidiary of a REIT that pays corporate taxes on its taxable income. Please see the section entitled Material Federal Income Tax Consequences REIT Qualification Requirements Taxable REIT Subsidiaries beginning on page 125 for a more detailed description of the requirements and limitations regarding our expected use of TRSs.

The businesses that we expect to initially contribute to, or retain in, one or more subsidiaries that will elect to be treated as a TRS effective upon the REIT conversion principally consist of our network development services segment, DAS networks business, and our international operations. Net income from our TRSs either will be retained by our TRSs and used to fund their operations, or will be distributed to us, where it either will be reinvested by us into our business or will contribute to income available for distribution to our stockholders.

In the future, we may elect to reorganize and transfer certain assets or operations, such as our international operations, from our TRSs to other subsidiaries of American Tower REIT, including qualified REIT subsidiaries, or QRSs. The assets, liabilities, income, deductions and credits of a QRS are treated as assets, liabilities, income, deductions and credits of the REIT rather than a separate taxable corporation. Please see the section entitled Material Federal Income Tax Consequences REIT Qualification Requirements Our Wholly Owned Subsidiaries and Our Investments through Partnerships beginning on page 125 for a more detailed description of the requirements and limitations regarding our use of QRSs.

Q. What are our reasons for the REIT conversion and the merger?

A. We are proposing the REIT conversion and the merger primarily for the following reasons:

To increase stockholder value: As a REIT, we believe we will be able to increase the value of American Tower REIT common stock by reducing corporate level taxes on most of our domestic income, primarily the income we receive from leasing our domestic wireless and broadcast communications towers, which in turn may increase the amount of future distributions to stockholders;

To return capital to stockholders: We believe our stockholders will benefit from establishing regular cash distributions, resulting in a yield-oriented stock;

To expand our base of potential stockholders: By becoming a company that makes regular distributions to its stockholders, our stockholder base may expand to include investors attracted by yield, which may improve the liquidity of the American Tower REIT common stock and provide a broader stockholder base; and

To comply with REIT qualification rules: The merger will facilitate our compliance with REIT tax rules by merging American Tower with and into American Tower REIT, the latter of which will adopt and maintain charter documents that implement share ownership and transfer restrictions that are required to comply with such REIT tax rules.

To review the background of, and the reasons for, the REIT conversion and the merger in greater detail, and the related risks associated with the reorganization, see the sections entitled Background of the REIT Conversion and Merger beginning on page 38, Our Reasons for the REIT Conversion and the Merger beginning on page 40 and Risk Factors beginning on page 19.

Q. What will I receive in connection with the REIT conversion? When will I receive it?

A. You will receive:

Shares of American Tower REIT common stock

At the time of the completion of the merger, you will have the right to receive a number of shares of American Tower REIT common stock equal to, and in exchange for, the number of shares of Class A common stock that you then own.

Regular Quarterly Distributions

As a REIT, American Tower REIT will be required to distribute annually at least 90% of its REIT taxable income (determined without regard to the dividends paid deduction and by excluding net capital gain). Our REIT taxable income generally does not include income earned by our TRSs except to the extent the TRSs pay dividends to the REIT. We continue to have net operating loss carry forwards, or NOLs. To the extent we use these NOLs to offset our REIT taxable income, the required distributions to stockholders would be reduced. However, in this case, we may be subject to the alternative minimum tax.

If the merger, which is an important element of the REIT conversion, is approved by our stockholders, we expect to commence declaring regular quarterly distributions beginning the first quarter of 2012, the amount of which will be determined, and is subject to adjustment, by the board of directors. To achieve maximum tax efficiency and retain cash to make selective discretionary investments, we currently anticipate our typical distributions will be based on a payment equal to 100% of our REIT taxable income, subject to adjustment by the board of directors, which at our discretion we may offset with our remaining NOLs after the REIT conversion. Furthermore, distributions will be subject to adjustment by the board of directors. The actual timing and amount of the distributions will be as determined and declared by the board of directors and will depend on, among other factors, our financial condition, earnings, debt covenants and other possible uses of such funds. See the section entitled Dividend and Distribution Policy beginning on page 45.

If you dispose of your shares before the record date for the first quarterly distribution, you will not receive the first quarterly distribution or any other regular quarterly distribution.

Special E&P Distribution

A REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a regular C corporation. For American Tower REIT to elect REIT status for the taxable year beginning January 1, 2012, we must distribute to our stockholders on or before December 31, 2012 our undistributed earnings and profits attributable to taxable periods ending prior to January 1, 2012, which we refer to as pre-REIT accumulated earnings and profits. Therefore, for purposes of qualifying as a REIT, we plan to distribute these pre-REIT accumulated earnings and profits, if any, by paying a one-time special cash distribution to stockholders, which we refer to as the special E&P distribution.

We expect that the special E&P distribution will be declared and paid in the fourth quarter of 2011. However, the board of directors may determine to pay the special E&P distribution at another time, but not later than December 31, 2012 if we elect REIT status for the taxable year beginning January 1, 2012. We currently estimate that, if we elect REIT status as of January 1, 2012, the aggregate amount of the special E&P distribution will be no more than $200 million, and we expect to pay it solely with cash on hand. We will not make a special E&P distribution, however, if we do not have any pre-REIT accumulated earnings and profits.

We have projected our pre-REIT accumulated earnings and profits as of the end of December 31, 2011 using our historic tax returns and other available information through December 31, 2009. Estimates of our pre-REIT accumulated earnings and profits are also based on our projected 2011 taxable income and our current business plans and performance, but the actual amount will vary depending on, among other items, the timing of certain transactions and the actual tax return filed for 2011. The special E&P distribution may be adjusted by any amount that the board of directors may determine is appropriate to protect American Tower REIT s ability to qualify as a REIT, which may result in a distribution amount that exceeds our pre-REIT accumulated earnings and profits. If the special E&P distribution is not sufficient to fully distribute our pre-REIT accumulated earnings and profits, we will make one or more additional distributions to our stockholders in the form of cash prior to the last day of American Tower REIT s first taxable year as a REIT.

If you dispose of your shares before the record date for the special E&P distribution, you will not receive the special E&P distribution.

Q. Will converting to a REIT change our capital allocation strategy?

A. If we convert to a REIT, we will be required to distribute our REIT taxable income to stockholders (determined without regard to the dividends paid deduction and by excluding net capital gain). However, after satisfying any REIT distribution requirements, we expect to continue to prioritize our capital investments as we have in the past.

The objective of our capital allocation strategy is to simultaneously increase recurring free cash flow per share and our return on invested capital. To achieve this, after satisfying any REIT distribution requirements, we expect we would continue to deploy capital through our annual capital expenditure program and acquisitions, and also continue our stock repurchase program, subject to available funds and market conditions.

Annual capital expenditure program. We will continue to reinvest in our existing assets and expand our existing communications site portfolio through our annual capital expenditure program. This includes capital expenditures associated with increasing the capacity of our existing sites, and projects such as new site construction, land acquisitions and shared generator installations. We believe we can achieve, on a risk adjusted basis, the highest incremental recurring free cash flow per share and returns on our invested capital through our annual capital expenditure program.

Acquisitions. We will seek to selectively pursue acquisitions of communications sites. This includes acquisitions in our existing or new markets where we can meet our return on investment criteria. When evaluating international investments, our return on investment criteria reflects the additional risks inherent to the particular geographic area. Compliance with REIT requirements must continually be

satisfied, which may hinder our ability to make certain attractive investments, including investments in the businesses to be conducted by our TRSs, and to that extent limit our opportunities. To review the risks associated with the REIT conversion and the merger, see Risk Factors beginning on page 19.

Stock repurchase program. If we have sufficient capital available to satisfy our REIT distribution requirements, and to fund our annual capital expenditures and acquisition opportunities, we will seek to return additional capital to stockholders. We currently utilize a stock repurchase program to facilitate this return and, following the merger, we expect to continue to have such a program in place.

Q. Will the REIT conversion change our current operational strategy?

A. We do not anticipate that the REIT conversion will change our current operational strategy. We expect to continue focusing on the following objectives:

Increase the leasing of our existing communications site portfolio. We believe that our highest returns will be achieved by leasing additional space on our existing communications sites. As a result of wireless industry capital spending trends in the markets we serve, we anticipate continued demand for our communications sites because we believe they are attractively located for wireless service providers and have capacity available for additional tenants.

Invest in and selectively grow our communications site portfolio. We seek opportunities to invest and grow our operations through our capital programs and acquisitions. This includes pursuing opportunities to invest through new site construction and acquisitions in our domestic market and in select international markets which we believe have a high-growth wireless industry and are attractive from a macroeconomic and political standpoint.

Further improve on our operational performance. We will continue to seek opportunities to improve our operational performance throughout the organization. This includes investing in our systems and people as we strive to improve our efficiencies and provide best in class service.

Maintain a strong balance sheet. We will continue to maintain our disciplined approach to managing our balance sheet. We believe that our investment grade ratings and our current level of net leverage make us an attractive service provider partner for our tenants, and provide us with consistent access to the capital markets.

Q. Who will be the board of directors and management after the REIT conversion?

A. The board of directors and executive management of American Tower immediately prior to the merger will be the board of directors and executive management, respectively, of American Tower REIT.

Q. Do any of our directors and executive officers have any interests in the REIT conversion or merger that is different from mine?

A. No. Our directors and executive officers own shares of our Class A common stock, restricted stock units and options to purchase shares of our Class A common stock and, to that extent, their interest in the REIT conversion and the merger is the same as that of the other holders of shares of our Class A common stock, restricted stock units and options to purchase shares of our Class A common stock.

Q. When and where is the special meeting?

A. The special meeting will be held on November 29, 2011 at 11:00 a.m., local time, in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts 02116.

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Q. What will I be voting on at the special meeting?

A. As a stockholder, you are entitled to, and requested to, vote on the proposal to adopt the merger agreement pursuant to which American Tower will be merged with and into American Tower REIT, a wholly owned subsidiary of American Tower, with American Tower REIT as the surviving entity. In addition, you are requested to vote on the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal regarding the adoption of the merger agreement. You are not being asked to vote on any other element of the REIT conversion.

Q. Who can vote on the merger?

A. If you are a stockholder of record at the close of business on October 3, 2011, you may vote the shares of Class A common stock that you hold on the record date at the special meeting. On or about October 11, 2011, we will begin mailing this proxy statement/prospectus to all persons entitled to vote at the special meeting.

Q. Why is my vote important?

A. If you do not submit a proxy or vote in person at the meeting, it will be more difficult for us to obtain the necessary quorum to hold the special meeting. In addition, your failure to submit a proxy or to vote in person will have the same effect as a vote against the adoption of the merger agreement. If you hold your shares through a broker, bank, or other nominee, your broker, bank, or other nominee will not be able to cast a vote on the adoption of the merger agreement without instructions from you.

Q. What constitutes a quorum for the special meeting?

A. A majority of the outstanding shares of Class A common stock being present in person or represented by proxy constitutes a quorum for the meeting.

Q. What vote is required?

A. The affirmative vote of the holders of a majority of the outstanding shares of Class A common stock entitled to vote is required for the adoption of the merger agreement. As of the close of business on the record date, there were 393,374,333 million shares of Class A common stock outstanding and entitled to vote at the special meeting. Each share of outstanding Class A common stock on the record date is entitled to one vote on each proposal submitted to you for consideration.

Q. How does the board of directors recommend I vote on the merger proposal?

A. The board of directors of American Tower believes that the REIT conversion, including the merger, is advisable and in the best interests of the company and its stockholders. **The board of directors unanimously recommends that you vote FOR the adoption of the merger agreement.**

Q. When is the merger expected to be completed and the REIT election expected to be made?

A. We expect to complete the merger on or about January 1, 2012 or as soon as possible thereafter, and we expect to elect REIT status for the taxable year beginning January 1, 2012. However, we reserve the right to cancel or defer the merger or the REIT conversion even if stockholders of American Tower vote to adopt the merger agreement and other conditions to the completion of the merger are satisfied or waived, if the board of directors determines that the merger or the REIT conversion is no longer in the best interests of American Tower and its stockholders.

Q. What are some of the risks associated with the REIT conversion and the merger?

A. There are a number of risks relating to the REIT conversion and the merger, including the following:

- If American Tower REIT fails to remain qualified as a REIT, it may owe substantial amounts of federal and state income taxes, interest and penalties, and may have reduced funds available for distribution to its stockholders;

- There is no assurance that our cash flows from operations will be sufficient for us to fund required distributions; and

- Compliance with REIT requirements must continually be satisfied, which may hinder our ability to make certain attractive investments, including investments in the businesses to be conducted by our TRSs, and to that extent limit our opportunities.

To review the risks associated with the REIT conversion and the merger, see the sections entitled Our Reasons for the REIT Conversion and the Merger beginning on page 40 and Risk Factors beginning on page 19.

Q. Will REIT qualification requirements restrict any of our business activities or limit our financial flexibility?

A. As summarized in the section entitled Material Federal Income Tax Consequences beginning on page 119, to qualify as a REIT, we must continually satisfy various qualification tests imposed under the Code, concerning, among other things, the sources of our income, the nature and diversification of our assets and the amounts we distribute to our stockholders. In particular, the REIT qualification requirements could restrict our business activities and financial flexibility because:

- we may be required to liquidate or otherwise forego attractive investments to satisfy the asset and income tests or to qualify under certain statutory relief provisions; and

- to meet annual distribution requirements, we may be required to distribute amounts that may otherwise be used for our operations, including amounts that may otherwise be invested in future acquisitions, capital expenditures or repayment of debt and it is possible that we might be required to borrow funds, sell assets or raise equity to fund these distributions, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings.

Although our use of TRSs may partially mitigate the impact of meeting the requirements necessary to maintain our REIT status, there are limits on our ability to own TRSs. To review in greater detail the risks associated with our status as a REIT and the limits on our ability to own TRSs, see the section entitled Risk Factors Risks Related to the REIT Conversion and the Merger beginning on page 19.

In reaching its determination regarding a possible REIT conversion, our board of directors considered these REIT qualification requirements and other potential disadvantages regarding a potential REIT conversion, which are more fully described in the sections entitled Background of the REIT Conversion and Merger beginning on page 38 and Our Reasons for the REIT Conversion and the Merger beginning on page 40.

Q. Will I have to pay federal income taxes as a result of the REIT conversion?

A. No. You will not recognize gain or loss for federal income tax purposes as a result of the exchange of shares of Class A common stock for shares of American Tower REIT common stock in the merger. However, if you are a non-United States person who owns or has owned more than 5% of the outstanding Class A common stock, it may be necessary for you to comply with reporting and other requirements of

the Treasury regulations in order to achieve nonrecognition of gain on the exchange of your Class A common stock for American Tower REIT common stock in the merger.

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Some or all of the special E&P distribution will result in the recognition of ordinary dividend income by you, which may qualify as qualified dividend income that is potentially eligible for special maximum rates of taxation depending on your circumstances. Any amounts not treated as ordinary dividend income generally will reduce your basis in your Class A common stock (or your American Tower REIT common stock if distributed after the merger) and generally will be taxable as capital gains to the extent in excess of that basis.

The federal income tax treatment of holders of Class A common stock and American Tower REIT common stock depends in some instances on determinations of fact and interpretations of complex provisions of federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences of holding Class A common stock or American Tower REIT common stock to any particular stockholder will depend on that stockholder s particular tax circumstances. We urge you to consult your tax advisor, particularly if you are a non-United States person, regarding the specific tax consequences, including the federal, state, local and foreign tax consequences to you in light of your particular investment in, or the tax circumstances of acquiring, holding, exchanging or otherwise disposing of, Class A common stock or American Tower REIT common stock.

Q. Am I entitled to dissenters rights?

A. No. Under Delaware law, you are not entitled to any dissenters rights of appraisal in connection with the REIT conversion or the merger.

Q. How do I vote without attending the special meeting?

A. If you are a holder of Class A common stock on the record date, you may vote by completing, signing and promptly returning the proxy card in the self-addressed stamped envelope provided. You may also authorize a proxy to vote your shares by telephone or over the Internet as described in your proxy card. Authorizing a proxy by telephone or over the Internet or by mailing a proxy card will not limit your right to attend the special meeting and vote your shares in person. Those stockholders of record who choose to vote by telephone or over the Internet must do so no later than 11:59 p.m., Eastern Time, on November 28, 2011.

Q. Can I attend the special meeting and vote my shares in person?

A. Yes. All stockholders are invited to attend the special meeting. Stockholders of record at the close of business on the record date are invited to attend and vote at the special meeting. If your shares are held by a broker, bank or other nominee, then you are not the stockholder of record. Therefore, to vote at the special meeting, you must bring the appropriate documentation from your broker, bank or other nominee confirming your beneficial ownership of the shares.

Q. If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A. No. If your shares are held in street name by your broker, bank or other nominee, you should follow the directions provided by your broker, bank or other nominee. Your broker, bank or other nominee will vote your shares ***only*** if you provide instructions on how you would like your shares to be voted.

Q. What do I need to do now?

A.

You should carefully read and consider the information contained in this proxy statement/prospectus including its annexes. It contains important information about what the board of directors of American Tower considered in evaluating and approving the REIT conversion and the merger agreement.

You should then complete and sign your proxy card and return it in the enclosed envelope as soon as possible so that your shares will be represented at the special meeting, or vote your proxy by telephone or

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over the Internet in accordance with the instructions on your proxy card. If your shares are held through a broker, bank or other nominee, you should receive a separate voting instruction form with this proxy statement/prospectus.

Q. Can I change my vote after I have mailed my signed proxy card?

A. Yes. You can change your vote at any time before your proxy is voted at the special meeting. To revoke your proxy, you must either (1) notify the secretary of American Tower in writing, (2) mail a new proxy card dated after the date of the proxy you wish to revoke, (3) submit a later dated proxy by telephone or over the Internet by following the instructions on your proxy card or (4) attend the special meeting and vote your shares in person. Merely attending the special meeting will not constitute revocation of your proxy. If your shares are held through a broker, bank, or other nominee, you should contact your broker, bank or other nominee to change your vote.

Q. Should I send in my stock certificates now?

A. No. After the merger is completed, American Tower stockholders will receive written instructions from the exchange agent on how to exchange their Class A common stock for shares of American Tower REIT common stock. **Please do not send in your American Tower stock certificates with your proxy.**

Q. Where will my American Tower REIT common stock be publicly traded?

A. American Tower REIT will apply to list the new shares of American Tower REIT common stock on the New York Stock Exchange, or NYSE, upon completion of the merger. We expect that American Tower REIT common stock will trade under our current symbol AMT.

Q. Will a proxy solicitor be used?

A. Yes. We have engaged Alliance Advisors, LLC to assist in the solicitation of proxies for the meeting and estimate we will pay Alliance Advisors, LLC a fee of approximately $6,500. We have also agreed to reimburse Alliance Advisors, LLC for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify Alliance Advisors, LLC against certain losses, costs and expenses. In addition, our officers and employees may request the return of proxies by telephone or in person, but no additional compensation will be paid to them.

Q. Whom should I call with questions?

A. You should call Alliance Advisors, LLC , our proxy solicitor, toll-free at (877) 777-4575 with any questions about the REIT conversion or merger, or to obtain additional copies of this proxy statement/prospectus or additional proxy cards. You also may call Leah Stearns, our Director of Investor Relations, at (617) 375-7500.

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STRUCTURE OF THE TRANSACTION

The following diagrams summarize the corporate structure of American Tower Corporation before and after the REIT conversion, including the merger and the related reorganization transactions.

Transaction Steps

1. American Tower Corporation causes assets to be moved to, or retains assets in, one or more wholly owned subsidiaries which will become taxable REIT subsidiaries or qualified REIT subsidiaries following the REIT conversion.

2. American Tower Corporation distributes the special E&P distribution to its stockholders, which is expected to be paid in the fourth quarter of 2011.

3. American Tower Corporation merges with and into American Tower REIT.

4. American Tower Corporation stockholders receive a number of shares of American Tower REIT common stock equal to, and in exchange for, the number of shares of Class A common stock they own.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers to fully understand the REIT conversion and the merger. In particular, you should read the annexes attached to this proxy statement/prospectus, including the merger agreement, which is attached as Annex A. You also should read the form of American Tower REIT Charter, attached as Annex B-1, and the American Tower REIT By-Laws, attached as Annex B-2, because these documents will govern your rights as a stockholder of American Tower REIT following the merger. See the section entitled Where You Can Find More Information in the front part of this proxy statement/prospectus. For a discussion of the risk factors that you should carefully consider, see the section entitled Risk Factors beginning on page 19. Most items in this summary include a page reference directing you to a more complete description of that item.

The information contained in this proxy statement/prospectus, unless otherwise indicated, assumes the REIT conversion and all the transactions related to the REIT conversion, including the merger, will occur. When used in this proxy statement/prospectus, unless otherwise specifically stated or the context otherwise requires, the terms Company, American Tower, we, our and us refer to American Tower Corporation and its subsidiaries with respect to the period prior to the merger, and American Tower REIT and its subsidiaries including the TRSs with respect to the period after the merger.

The Companies

American Tower Corporation

116 Huntington Avenue

Boston, Massachusetts 02116

(617) 375-7500

American Tower is a leading wireless and broadcast communications infrastructure company that, through its various subsidiaries, owns, operates and develops communications sites. American Tower s primary business is leasing antenna space on multi-tenant communications sites to wireless service providers and radio and television broadcast companies. This business is referred to as rental and management operations, which accounted for approximately 97% of American Tower s total revenues for the six months ended June 30, 2011. American Tower also offers tower-related services domestically, including site acquisition, zoning and permitting services and structural analysis services, which primarily support its site leasing business and the addition of new tenants and equipment on its sites.

American Tower s communications site portfolio includes wireless communications towers, broadcast communications towers and DAS networks, which are collocation solutions to support seamless in-building and outdoor wireless coverage. American Tower s portfolio consists of towers that it owns and towers that it operates pursuant to long-term lease arrangements, including, as of June 30, 2011, 21,118 towers domestically and 16,667 towers internationally. American Tower s portfolio also includes 263 in-building and outdoor DAS networks that it operates in malls, casinos and other in-building applications, and select outdoor environments. In addition to the communications sites in its portfolio, American Tower manages rooftop and tower sites for property owners.

American Tower was created as a subsidiary of American Radio Systems Corporation in 1995 and was spun off into a free-standing public company in 1998. Since inception, it has grown its communications site portfolio through acquisitions, long-term lease arrangements, development and construction of sites, and through mergers with and acquisitions of other tower operators.

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American Tower is a holding company, and it conducts its operations through its directly and indirectly owned subsidiaries. American Tower s principal domestic operating subsidiaries are American Towers LLC, or ATI, and SpectraSite Communications, LLC, or SpectraSite. American Tower conducts its international operations through its subsidiary, American Tower International, Inc., which in turn conducts operations through its various international operating subsidiaries. American Tower s international operations consist primarily of its operations in Brazil, Chile, Colombia, Ghana, India, Mexico, Peru and South Africa.

American Tower REIT, Inc.

116 Huntington Avenue

Boston, Massachusetts 02116

(617) 375-7500

American Tower REIT, Inc. is a wholly owned subsidiary of American Tower and was organized in Delaware on May 17, 2011 to succeed to and continue the business of American Tower upon completion of the merger of American Tower with and into American Tower REIT. Effective at the time of the merger described below, American Tower REIT will be renamed American Tower Corporation. Prior to the merger, American Tower REIT will conduct no business other than that incident to the merger. Following the merger, American Tower REIT will directly or indirectly conduct all of the business currently conducted by American Tower. Upon completion of the merger, American Tower REIT will directly or indirectly hold all of American Tower s assets.

General

The board of directors of American Tower has approved a plan to reorganize American Tower s business operations to facilitate the qualification of American Tower REIT, as the successor of American Tower s assets and business operations following the merger, as a REIT for federal income tax purposes. We refer to the merger, the related reorganization transactions and the election of REIT status by American Tower REIT in this proxy statement/prospectus as the REIT conversion. The merger and other reorganization transactions are designed to enable American Tower REIT, as the business successor of American Tower, to hold its assets and business operations in a manner that will enable us to elect to be treated as a REIT for federal income tax purposes. If American Tower REIT qualifies as a REIT, American Tower REIT generally will not be subject to federal corporate income taxes on that portion of its capital gain or ordinary income from its REIT operations that is distributed to its stockholders. This treatment would substantially eliminate the federal double taxation on earnings from REIT operations, or taxation once at the corporate level and again at the stockholder level, that generally results from investment in a regular C corporation. However, as explained more fully below, the non-REIT operations of American Tower, which consist primarily of its DAS networks business and network development services, as currently structured and operated, and its international operations would continue to be subject, as applicable, to federal and state corporate income taxes and to foreign taxes in the jurisdictions in which those operations are located.

We are distributing this proxy statement/prospectus to you as a holder of Class A common stock in connection with the solicitation of proxies by the board of directors for your approval of a proposal to adopt the merger agreement that will implement a part of the business reorganization through which American Tower intends to effect the REIT conversion. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A.

The American Tower board of directors reserves the right to cancel or defer the merger even if American Tower stockholders vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived if it determines that the merger is no longer in the best interests of American Tower and its stockholders. The American Tower board of directors reserves the right to cancel or defer the REIT conversion if the REIT conversion cannot be completed by December 31, 2011 or if it determines that it is no longer in the best interests of American Tower or its stockholders.

We estimate that one-time transaction costs incurred or to be incurred in connection with the REIT conversion, including the merger, will be approximately $14 million in the aggregate.

Board of Directors and Management of American Tower REIT

The board of directors and executive management of American Tower immediately prior to the merger will be the board of directors and executive management, respectively, of American Tower REIT immediately following the merger.

Interests of Directors and Executive Officers in the REIT Conversion and the Merger

Our directors and executive officers own shares of our Class A common stock, restricted stock units and options to purchase shares of our Class A common stock and, to that extent, their interest in the REIT conversion and the merger is the same as that of the other holders of shares of our Class A common stock, restricted stock units and options to purchase shares of our Class A common stock.

Regulatory Approvals (See page 43)

We are not aware of any federal, state or local regulatory requirements that must be complied with or approvals that must be obtained prior to completion of the merger pursuant to the merger agreement and the transactions contemplated thereby, other than compliance with applicable federal and state securities laws, the filing of a certificate of merger as required under the Delaware General Corporation Law, which we refer to as Delaware Corporate Law, and various state governmental authorizations.

Comparison of Rights of Stockholders of American Tower and American Tower REIT (See page 113)

Your rights as a holder of Class A common stock are currently governed by Delaware Corporate Law, American Tower s Restated Certificate of Incorporation, which we refer to as the American Tower Charter, and the Amended and Restated By-Laws of American Tower, which we refer to as the American Tower By-Laws. If the merger agreement is adopted and approved by American Tower s stockholders and the merger is completed, you will become a stockholder of American Tower REIT and your rights as a stockholder of American Tower REIT will be governed by Delaware Corporate Law, the American Tower REIT Charter and the American Tower REIT By-Laws. Some important differences exist between your rights as a holder of Class A common stock and your rights as a holder of American Tower REIT common stock.

The major difference is that, to satisfy requirements under the Code that are applicable to REITs in general and to otherwise address concerns relating to capital stock ownership, the American Tower REIT Charter generally prohibits any stockholder from owning more than 9.8% of the outstanding shares of American Tower REIT common stock or any other class or series of American Tower REIT stock. These limitations are subject to waiver or modification by the board of directors of American Tower REIT. For more detail regarding the differences between your rights as a holder of Class A common stock and your rights as a holder of American Tower REIT common stock, see the sections entitled Description of American Tower REIT Capital Stock and Comparison of Rights of Stockholders of American Tower and American Tower REIT.

The forms of the American Tower REIT Charter and American Tower REIT By-Laws are attached as Annex B-1 and Annex B-2, respectively.

Material Federal Income Tax Consequences of the Merger (See page 120)

Our tax counsel, Sullivan & Worcester LLP, is of the opinion that the merger will be treated for federal income tax purposes as a reorganization under Section 368(a)(1)(F) of the Code. Accordingly, we expect for federal income tax purposes:

- no gain or loss will be recognized by American Tower or American Tower REIT as a result of the merger;

- you will not recognize any gain or loss upon the conversion of your shares of Class A common stock into American Tower REIT common stock;

- the tax basis of the shares of American Tower REIT common stock that you receive pursuant to the merger in the aggregate will be the same as your adjusted tax basis in the shares of Class A common stock being converted in the merger, subject to any adjustment resulting from the special E&P distribution as discussed below; and

- the holding period of shares of American Tower REIT common stock that you receive pursuant to the merger will include your holding period with respect to the shares of Class A common stock being converted in the merger, assuming that your Class A common stock was held as a capital asset at the effective time of the merger.

The federal income tax treatment of holders of Class A common stock and American Tower REIT common stock depends in some instances on determinations of fact and interpretations of complex provisions of federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences of holding Class A common stock or American Tower REIT common stock to any particular stockholder will depend on the stockholder s particular tax circumstances. For example, in the case of a non-United States stockholder that owns or has owned in excess of 5% of Class A common stock, it may be necessary for that person to comply with reporting requirements for him or her to achieve the nonrecognition of gain, carryover tax basis and tacked holding period described above. We urge you to consult your tax advisor, particularly if you are a non-United States person, regarding the specific tax consequences, including the federal, state, local and foreign tax consequences, to you in light of your particular investment or tax circumstances of acquiring, holding, exchanging or otherwise disposing of Class A common stock or American Tower REIT common stock.

Material Federal Income Tax Consequences of the Special E&P Distribution (See page 120)

Generally, the special E&P distribution will be a taxable dividend to you to the extent that the special E&P distribution is paid out of American Tower s current or accumulated earnings and profits as determined for federal income tax purposes. We currently believe that most of the special E&P distribution will be made out of current or accumulated earnings and profits and, therefore, will be taxable to you as a dividend, and may be eligible for treatment as a qualified dividend. For federal income tax purposes, any distribution in excess of American Tower s current and accumulated earnings and profits will first constitute a tax free return of capital, to the extent of your basis in your shares of Class A common stock, and then as capital gain, assuming you hold your shares as capital assets. Special rules may apply if you are a non-United States person.

Qualification of American Tower REIT Following the REIT Conversion (See page 121)

We expect to qualify as a REIT for federal income tax purposes effective for our taxable year commencing January 1, 2012. If we so qualify, we will be permitted to deduct distributions paid to our stockholders, allowing the income represented by such distributions not to be subject to taxation at the entity level and to be taxed, if at all, only at the stockholder level. Nevertheless, the income of our TRSs, which will hold our operations that may not be REIT compliant as currently structured and operated and our international operations, will be subject, as applicable, to federal corporate income tax and to foreign income taxes where those operations are conducted. We will also be subject to a separate corporate income tax on any gains recognized during a specified period (generally, ten years) following the REIT conversion that are attributable to built-in gain with respect to the assets that we own on January 1, 2012.

Our ability to qualify as a REIT will depend upon our continuing compliance following the REIT conversion with various requirements, including requirements related to the nature of our assets, the sources of our income and the distributions to our stockholders. If we fail to qualify as a REIT, we will be subject to federal income tax at regular corporate rates. Even if we qualify for taxation as a REIT, we may be subject to some federal, state, local and foreign taxes on our income and property.

Our tax counsel, Sullivan & Worcester LLP, is of the opinion that, after the transactions described in this proxy statement/prospectus are completed, we will be organized in conformity with the requirements for qualification as a REIT under the Code and that our current and anticipated investments and our plan of operation will enable us to meet and continue to meet the requirements for qualification and taxation as a REIT under the Code. Our tax counsel s opinions are conditioned upon the assumption that the American Tower REIT Charter, the American Tower REIT By-Laws, our licenses and all other applicable legal documents have been and will be complied with by all parties to those documents, upon the accuracy and completeness of the factual matters described in this proxy statement/prospectus, upon a private letter ruling received from the IRS as to certain federal income tax matters, and upon representations made by us as to certain factual matters relating to our and American Tower REIT s organization and operations and our expected manner of operation. The opinions of our tax counsel are based upon the law as it exists today, but the law may change in the future, possibly with retroactive effect. Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Sullivan & Worcester LLP or us that we will so qualify for any particular year. Any opinion of Sullivan & Worcester LLP as to our qualification as a REIT will be expressed as of the date issued. Counsel will have no obligation to advise us or our stockholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. Also, the opinions of tax counsel are not binding on either the IRS or a court, and either could take a position different from that expressed by tax counsel.

Recommendation of the Board of Directors (See pages 35-36)

The board of directors of American Tower believes that the REIT conversion is advisable for American Tower and its stockholders and unanimously recommends that you vote FOR the adoption of the merger agreement, which is being proposed in connection with the reorganization of American Tower s business operations through which American Tower intends to effect the REIT conversion, and FOR the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies.

Date, Time, Place and Purpose of Special Meeting (See page 35)

The special meeting will be held on November 29, 2011 at 11:00 a.m., local time, in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts 02116 to consider and vote upon the proposals described in the notice of special meeting.

Stockholders Entitled to Vote (See page 35)

The board of directors has fixed the close of business on October 3, 2011 as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the special meeting. As of October 3, 2011, there were 393,374,333 million shares of Class A common stock outstanding and entitled to vote and 445 holders of record.

Vote Required (See pages 35-36)

The affirmative vote of the holders of a majority of the outstanding shares of Class A common stock entitled to vote is required for the adoption of the merger agreement. Accordingly, abstentions and broker non-votes, if any, will have the effect of a vote against the proposal to adopt the merger agreement.

The American Tower board of directors reserves the right to cancel or defer the merger even if American Tower s stockholders vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if the board of directors determines that the merger is no longer in the best interests of American Tower and its stockholders. The American Tower board of directors reserves the right to cancel or defer the REIT conversion if the REIT conversion cannot be completed by December 31, 2011 or if it determines that it is not in the best interests of American Tower or its stockholders.

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The affirmative vote of the holders of at least a majority of the shares of Class A common stock voting on the proposal to adjourn the special meeting, if necessary, to solicit further proxies is required to permit American Tower s board of directors to adjourn the special meeting, if necessary, to solicit further proxies.

No Dissenters Rights (See page 43)

Under Delaware Corporate Law, you will not be entitled to dissenters rights of appraisal as a result of the merger or the REIT conversion.

Shares Owned by American Tower s Directors and Executive Officers

As of October 3, 2011 the directors and executive officers of American Tower and their affiliates owned and were entitled to vote 2,787,034 shares of Class A common stock, or 0.7% of the shares outstanding on that date entitled to vote with respect to each of the proposals. We currently expect that each director and executive officer of American Tower will vote the shares of Class A common stock beneficially owned by such director or executive officer FOR adoption of the merger agreement and FOR the proposal to adjourn or postpone the special meeting.

Historical Market Price of Class A common stock

American Tower s Class A common stock is listed on the NYSE under the symbol AMT.

The following table presents the reported high and low sale prices of Class A common stock on the NYSE, in each case for the periods presented and as reported in the New York Stock Exchange Composite Transaction report. On May 18, 2011, the last full trading day prior to the public announcement of the proposed REIT conversion, the closing sale price of Class A common stock on the NYSE was $52.16 per share. On October 5, 2011, the latest practicable date before the printing of this proxy statement/prospectus, the closing sale price of Class A common stock on the NYSE was $55.06 per share. You should obtain a current stock price quotation for Class A common stock.

	High	Low
Year Ending December 31, 2011		
Third Quarter	$ 55.21	$ 46.35
Second Quarter	55.48	49.52
First Quarter	56.73	46.61
Year Ended December 31, 2010		
Fourth Quarter	$ 53.14	$ 49.61
Third Quarter	52.11	43.70
Second Quarter	45.33	38.86
First Quarter	44.61	40.10
Year Ended December 31, 2009		
Fourth Quarter	$ 43.84	$ 35.03
Third Quarter	37.71	29.89
Second Quarter	34.52	27.93
First Quarter	32.53	25.45

It is expected that, upon completion of the merger, American Tower REIT common stock will be listed and traded on the NYSE in the same manner as shares of Class A common stock currently trade on that exchange. The historical trading prices of Class A common stock are not necessarily indicative of the future trading prices of American Tower REIT s common stock because, among other things, the current stock price of American Tower reflects the current market valuation of American Tower s current business and assets, including the cash that may be distributed in connection with the special E&P distribution. See the section entitled Risk Factors The current market price of our Class A common stock may not be indicative of the market price of American Tower REIT common stock following the REIT conversion and the special E&P distribution.

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SUMMARY UNAUDITED PRO FORMA CONDENSED FINANCIAL DATA

The following table presents selected financial data from the unaudited pro forma consolidated statement of operations for the year ended December 31, 2010, the unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2011 and the unaudited pro forma condensed consolidated balance sheet as of June 30, 2011 included in this proxy statement/prospectus. The unaudited pro forma condensed consolidated balance sheet is presented as if the REIT conversion had occurred on June 30, 2011. The unaudited pro forma consolidated statements of operations present the effects of the REIT conversion as though it occurred on January 1, 2010, but calculated based on actual data as of June 30, 2011.

The unaudited pro forma condensed financial data is based on the estimates and assumptions set forth in the notes to such data, which are preliminary and have been made solely for the purposes of developing such pro forma information. See Pro Forma Financial Information. The unaudited pro forma condensed financial data is not necessarily indicative of the financial position or operating results that would have occurred had the REIT conversion been completed as of the dates indicated, nor are they necessarily indicative of future financial position or operating results. This information should be read in conjunction with the unaudited pro forma condensed consolidated financial statements and related notes and the historical financial statements and related notes of the Company and American Tower REIT included in or incorporated by reference into this proxy statement/prospectus.

The unaudited pro forma condensed consolidated balance sheet does not reflect any special E&P distribution, as we estimate that as of June 30, 2011, we do not have any accumulated E&P that we would be required to distribute. However, taking into consideration certain assumptions and projections, including expected full year 2011 operating results, we may be subject to the E&P distribution requirement, and currently estimate that, if we elect REIT status as of January 1, 2012, the aggregate amount of the special E&P distribution will be no more than $200 million, which would be paid solely with cash on hand. We will not make a special E&P distribution if we do not have any pre-REIT accumulated E&P. All assumptions used in the following pro forma consolidated financial data are described under Pro Forma Financial Information.

	Pro Forma (in thousands)	
	For the Year Ended December 31, 2010	**For the Six Months Ended June 30, 2011**
Consolidated Statement of Operations		
Total operating revenues	$ 1,985,335	$ 1,159,930
Total operating expenses	1,200,957	715,841
Operating income	784,378	444,089
Other expense	(228,353)	(101,669)
Income tax benefit (provision)	3,116	(29,912)
Income on equity method investments	40	12
Income from continuing operations	559,181	312,520

	Pro Forma as of June 30, 2011 (in thousands)
Condensed Consolidated Balance Sheet	
Cash and cash equivalents	$ 332,542
Current deferred income taxes	7,148
Total current assets	663,087
Property and equipment, net	3,909,635
Deferred income taxes	127,566
Total assets	10,708,395
Total current liabilities	1,309,883
Long-term obligations	4,919,068
Other long-term liabilities	543,676
Total liabilities	7,178,118
Total stockholders equity	3,530,277

Total liabilities and stockholders equity	10,708,395

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Comparative Historical and Pro Forma Per Share Data

The following tables set forth selected historical per share data for the Company and selected unaudited pro forma per share data after giving effect to the REIT conversion. This information should be read in conjunction with the selected historical financial information included elsewhere in this proxy statement/prospectus and the historical financial statements and related notes that are included in or incorporated by reference in this proxy statement/prospectus. The pro forma per share amounts have been computed using the assumptions described in the section entitled Pro Forma Financial Information. The unaudited pro forma consolidated financial data are presented for informational purposes only. The pro forma financial data is not necessarily indicative of the financial position or operating results that would have occurred had the REIT conversion been completed as of the dates indicated above, nor are they necessarily indicative of future financial position or operating results.

Historical Data Per Share

The historical book value per share data presented below is computed by dividing total stockholders equity of $3.5 billion as of December 31, 2010 and $3.6 billion as of June 30, 2011 by the number of shares outstanding on those dates.

	As of or for the Year Ended December 31, 2010	As of or for the Six Months Ended June 30, 2011
Income from continuing operations attributable to American Tower Corporation per share:		
Basic	$ 0.93	$ 0.52
Diluted	0.92	0.52
Book value per share	8.79	9.09

Unaudited Pro Forma Per Share Data

The pro forma book value per share data is computed by dividing pro forma total stockholders equity of $3.2 billion by the number of shares outstanding on those dates.

	Pro Forma	
	As of or for the Year Ended December 31, 2010	As of or for the Six Months Ended June 30, 2011
Income from continuing operations attributable to American Tower Corporation per share:		
Basic	$ 1.39	$ 0.79
Diluted	1.38	0.78
Book value per share (1)		8.91

(1) Pro forma book value per share is only calculated for a June 30, 2011 conversion date.

RISK FACTORS

In addition to the other information in this proxy statement/prospectus, you should carefully consider the following risk factors relating to the proposed REIT conversion in determining whether or not to vote for adoption of the merger agreement. You should carefully consider the additional risks described in American Tower s annual, quarterly and current reports, including those identified in American Tower s Annual Report on Form 10-K for the year ended December 31, 2010, as updated by its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011. This section includes or refers to certain forward-looking statements. See the section entitled Special Note Regarding Forward-Looking Statements beginning on page 34 for the qualifications and limitations of these forward-looking statements.

Risks Related to the REIT Conversion and the Merger

If we fail to qualify as a REIT or fail to remain qualified as a REIT, we would be subject to tax at corporate income tax rates and would not be able to deduct distributions to stockholders when computing our taxable income.

We are currently not treated as a REIT for tax purposes. The American Tower board of directors has authorized us to take the steps necessary to elect to be treated as a REIT for tax purposes, effective for the taxable year beginning January 1, 2012. In order to qualify as a REIT, we plan to hold our non-qualifying REIT assets in one or more TRSs. These non-qualifying REIT assets consist principally of our DAS networks business and network development services segment as currently structured and operated. In addition, for the foreseeable future, we have chosen to include in TRSs our tower operations in international markets, because these assets and operations will continue to be subject to taxation in the applicable foreign jurisdictions, and will not benefit from the income tax treatment that we anticipate will become available to our domestic REIT operations.

If, in any taxable year, we fail to qualify for taxation as a REIT, and are not entitled to relief under the Code:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to federal and state income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- we would be disqualified from REIT tax treatment for the four taxable years following the year during which we were so disqualified.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes. This adverse impact could last for five or more years because, unless we are entitled to relief under certain statutory provisions, we will be taxable as a corporation, beginning in the year in which the failure occurs, and we will not be allowed to re-elect to be taxed as a REIT for the following four years.

If we fail to qualify for taxation as a REIT, we may need to borrow additional funds or liquidate some investments to pay any additional tax liability. Accordingly, funds available for investment would be reduced.

REIT qualification involves the application of highly technical and complex provisions of the Code to our operations as well as various factual determinations concerning matters and circumstances not entirely within our control. There are limited judicial or administrative interpretations of these provisions. Although we plan to operate in a manner consistent with the REIT qualification rules, we cannot assure you that we will so qualify or remain so qualified.

While our tax counsel is of the opinion that we will be properly organized as a REIT in accordance with applicable law upon effecting the REIT conversion and the transactions contemplated thereby, those opinions are not binding on the Internal Revenue Service or any court and do not guarantee our qualification as a REIT.

Our tax counsel, Sullivan & Worcester LLP, is of the opinion that, following completion of the proposed transactions for the REIT conversion, and as of January 1, 2012, we will be organized in conformity with the

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requirements for qualification as a REIT under the Code, and that our current and anticipated investments and plan of operation will enable us to meet and continue to meet the requirements for qualification and taxation as a REIT under the Code. Investors should be aware, however, that opinions of counsel are not binding on the Internal Revenue Service, or IRS, or any court, and either could take a position different from that expressed by counsel. Any opinion of Sullivan & Worcester LLP will represent only their view based on a review and analysis of existing law and would be conditioned upon the assumption that the American Tower REIT Charter, the American Tower REIT By-Laws, our licenses and all other applicable legal documents have been and will be complied with by all parties to those documents, upon the accuracy and completeness of the factual matters described in this proxy statement/prospectus, upon a ruling received from the IRS as to certain federal income tax matters, and upon representations made by us as to certain factual matters relating to our and American Tower REIT s organization, operations and expected manner of operation. Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Sullivan & Worcester LLP or us that we will so qualify for any particular year. Any opinion of Sullivan & Worcester LLP as to our qualification and taxation as a REIT will be expressed as of the date issued. Sullivan & Worcester LLP will have no obligation to advise us or our stockholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law.

Furthermore, both the validity of any opinion of Sullivan & Worcester LLP and our qualification and taxation as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Our ability to satisfy the quarterly asset tests under applicable Code provisions and Treasury regulations will depend in part upon the American Tower REIT board of directors good faith analysis of the fair market values of our assets, some of which are not susceptible to a precise determination. Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. While we believe that we will satisfy these tests, Sullivan & Worcester LLP will not review compliance with these tests on a continuing basis.

We may not realize the anticipated tax benefits from the REIT conversion effective January 1, 2012 because the timing of the REIT conversion is not certain.

We anticipate that the REIT conversion will be effective January 1, 2012. However, the effective date of the REIT conversion could be delayed, in which event we could not elect REIT status until the taxable year beginning January 1, 2013, at the earliest. In that event, the benefits attributable to our qualification and taxation as a REIT, including our ability to reduce our corporate level federal income tax through distributions to stockholders, would not commence January 1, 2012, and we would pay corporate level income taxes on our taxable income, to the extent NOLs are not available to reduce our taxable income, until such time as we became a REIT. Additionally, even if the transactions necessary to implement the REIT conversion are effected, our board of directors may decide not to elect REIT status, or to delay such election, if it determines in its sole discretion that it is not in the best interests of us or our stockholders.

As a REIT, failure to make required distributions would subject us to federal corporate income tax.

We have never declared or paid any cash distributions on our Class A common stock. Following the completion of the merger and the special E&P distribution, we intend to declare regular quarterly distributions commencing with the first quarter of 2012, the amount of which will be determined, and is subject to adjustment, by the American Tower REIT board of directors. To qualify and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. Generally, we expect to distribute all or substantially all of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain the proposed quarterly distributions that approximate our taxable income, and may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund

required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes, or the effect of nondeductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, the creation of reserves or required debt service or amortization payments.

To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Code.

Covenants specified in our existing and future debt instruments may limit our ability to make required REIT distributions.

Our $1.25 billion senior unsecured revolving credit facility, or Revolving Credit Facility, our supplemental senior unsecured revolving credit facility of up to $1.0 billion, or Supplemental Credit Facility, and our $325 million of term loan commitments, or Term Loan, contain balance sheet, interest coverage and other covenants that could limit our distributions to stockholders. In addition, under the loan agreement related to our securitization transaction, or Securitization, a failure to comply with the covenants in that agreement could prevent our borrower subsidiaries from distributing any excess cash from the operation of their towers to us. If these limits prevent us from satisfying our REIT distribution requirements, we could fail to qualify for taxation as a REIT. If these limits do not jeopardize our qualification for taxation as a REIT but do nevertheless prevent us from distributing 100% of our REIT taxable income, we will be subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts.

We may be required to borrow funds, sell assets, or raise equity to satisfy our REIT distribution requirements or maintain the asset ownership tests.

In order to meet the REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds, sell assets or raise equity, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings. Any insufficiency of our cash flows to cover our REIT distribution requirements could adversely impact our ability to raise short- and long-term debt, to sell assets, or to offer equity securities in order to fund distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. This would increase our total leverage. For a discussion of risks related to our substantial level of indebtedness, see Risks Related to our Business Our leverage and debt service obligations may materially and adversely affect us.

In addition, if we fail to comply with certain asset ownership tests described under Material Federal Income Tax Consequences, below, at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate otherwise attractive investments. These actions may reduce our income and amounts available for distribution to our stockholders.

Complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of American Tower REIT common stock. Thus, compliance with these tests will require us to refrain from certain activities discussed in Material Federal Income Tax Consequences and may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities, and investments in the businesses to be conducted by our TRSs, and to

that extent limit our opportunities and our flexibility to change our business strategy. Furthermore, acquisition opportunities in domestic and international markets may be adversely affected if we need or require the target company to comply with some REIT requirements prior to closing. In addition, a conversion to a REIT may result in investor pressures not to pursue growth opportunities that are not immediately accretive.

Following our election to be taxed as a REIT, we intend to initially conduct a significant portion of our business activities, including our DAS networks business, our network development services segment and our international operations, through one or more domestic or foreign TRSs. Under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more TRSs and other non-qualifying assets. This limitation may affect our ability to make additional investments in our DAS networks business or network development services segment as currently structured and operated, in other non-REIT qualifying operations or assets, or in international operations through TRSs. To meet our annual distribution requirements, we may be required to distribute amounts that may otherwise be used for our operations, including amounts that may otherwise be invested in future acquisitions, capital expenditures or repayment of debt and it is possible that we might be required to borrow funds, sell assets or raise equity to fund these distributions, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings.

As a REIT, we will be limited in our ability to fund distribution payments using cash generated through our TRSs.

Our ability to receive distributions from our TRSs is limited by the rules with which we must comply to maintain our status as a REIT. In particular, at least 75% of our gross income for each taxable year as a REIT must be derived from real estate, which principally includes gross income from the leasing of our communications sites and rental-related services. Consequently, no more than 25% of our gross income may consist of dividend income from our TRSs and other non-qualifying types of income. Thus, our ability to receive distributions from our TRSs may be limited, and may impact our ability to fund distributions to our stockholders using cash flows from our TRSs. Specifically, if our TRSs became highly profitable, we might become limited in our ability to receive net income from our TRSs in an amount required to fund distributions to our stockholders commensurate with that profitability.

In addition, the majority of our income and cash flows from our TRSs will be generated from our international operations. In many cases, there are local withholding taxes and currency controls that may impact our ability or willingness to repatriate funds to the United States to help satisfy REIT distribution requirements.

Our planned extensive use of TRSs, in particular for our international operations, may cause us to fail to qualify as a REIT.

The net income of our TRSs is not required to be distributed to us, and income that is not distributed to us generally will not be subject to the REIT income distribution requirement. However, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our securities in our TRSs and certain other non-qualifying assets to exceed 25% of the fair market value of our assets, we would fail to qualify as a REIT.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its stockholders. We may have available NOLs that could reduce or substantially eliminate our REIT taxable income, and thus we may not be required to distribute material amounts of cash to qualify for taxation as a REIT. We expect that, for the foreseeable future, we may utilize available NOLs to reduce our REIT taxable income.

The American Tower REIT board of directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our stockholders based on a number of factors including, but not limited to,

our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments, future acquisitions and divestitures, any stock repurchase program, the financial condition of wireless service providers, and general market demand for our communications sites available for lease. Consequently, our distribution levels may fluctuate.

There are uncertainties relating to the estimate of our special E&P distribution.

To qualify for taxation as a REIT, we will be required to distribute to our stockholders all of our pre-REIT accumulated earnings and profits, if any, as measured for federal income tax purposes, prior to the end of our first taxable year as a REIT, which we expect will be the taxable period ending December 31, 2012. Failure to make the special E&P distribution before December 31, 2012 could result in our disqualification for taxation as a REIT. While we estimate that we will declare and pay the special E&P distribution during the fourth quarter of 2011, the determination of the timing and amount to be distributed in the special E&P distribution is a complex factual and legal determination. We may have less than complete information at the time we undertake our analysis or may interpret the applicable law differently from the IRS. We currently believe and intend that our special E&P distribution will satisfy the requirements relating to the distribution of our pre-REIT accumulated earnings and profits. There are, however, substantial uncertainties relating to the computation of our special E&P distribution, including the possibility that the IRS could, in auditing tax years through 2011, successfully assert that our taxable income should be increased, which could increase our pre-REIT accumulated earnings and profits. Thus, we may fail to satisfy the requirement that we distribute all of our pre-REIT accumulated earnings and profits by the close of our first taxable year as a REIT. Moreover, although there are procedures available to cure a failure to distribute all of our pre-REIT accumulated earnings and profits, we cannot now determine whether we will be able to take advantage of them or the economic impact to us of doing so.

Even if we qualify as a REIT, certain of our business activities will be subject to corporate level income tax and foreign taxes, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.

Even if we qualify for taxation as a REIT, we may be subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income, and state, local or foreign income, franchise, property and transfer taxes. In addition, we could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Code to maintain qualification for taxation as a REIT.

Our network development services segment and our DAS networks business will be conducted through one or more wholly owned TRSs because these activities could generate non-qualifying REIT income as currently structured and operated. Additionally, for the foreseeable future, we have chosen to include in TRSs our tower operations in international markets, because these assets and operations will continue to be subject to taxation in the applicable foreign jurisdictions, and not benefit from the income tax treatment available to our domestic REIT operations. Those TRS assets and operations would continue to be subject, as applicable, to federal and state corporate income taxes and to foreign taxes in the jurisdictions in which those assets and operations are located. Any of these taxes would decrease our earnings and our available cash.

We will also be subject to a federal corporate level tax at the highest regular corporate rate (currently 35%) on all or a portion of the gain recognized from a sale of assets occurring within a specified period (generally, ten years) after the REIT conversion, to the extent of the built-in-gain based on the fair market value of those assets on the effective date of the REIT election in excess of our then tax basis. If we elect REIT status for the taxable year beginning January 1, 2012, that tax on subsequently sold assets will be based on the fair market value and built-in-gain of those assets as of January 1, 2012. Gain from a sale of an asset occurring after the specified period ends will not be subject to this corporate level tax. We currently do not expect to sell any asset if the sale would result in the imposition of a material tax liability. We cannot, however, assure you that we will not change our plans in this regard.

In addition, the IRS and any state or local tax authority may successfully assert liabilities against us for corporate income taxes for taxable years of American Tower prior to the time it qualified as a REIT, in which case we will owe these taxes plus applicable interest and penalties, if any. Moreover, any increase in taxable income for these pre-REIT periods will likely result in an increase in pre-REIT accumulated earnings and profits, which could either increase the taxable portion of the special E&P distribution to our stockholders or cause us to pay an additional taxable distribution to our stockholders after the relevant determination.

Complying with REIT requirements may limit our ability to hedge effectively and increase the cost of our hedging, and may cause us to incur tax liabilities.

The REIT provisions of the Code limit our ability to hedge liabilities. Generally, income from hedging transactions that we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets and income from certain currency hedging transactions related to our non-U.S. operations do not constitute gross income for purposes of the REIT gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of the REIT gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs would be subject to tax on income or gains resulting from hedges entered into by them or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in any of our TRSs generally will not provide any tax benefit, except for being carried forward for use against future taxable income in the TRSs.

The current market price of Class A common stock may not be indicative of the market price of American Tower REIT common stock following the REIT conversion and the special E&P distribution.

American Tower s current share price may not be indicative of how the market will value American Tower REIT common stock following the REIT conversion because of the effect of the actual distribution of cash in connection with the special E&P distribution, the change in our organization from a taxable C corporation to a REIT and the change in our distribution policy. American Tower s Class A common stock price does not necessarily take into account these effects, and the stock price after the REIT conversion and the special E&P distribution could be lower than the current price. Furthermore, one of the factors that may influence the price of American Tower REIT common stock will be the yield from distributions on American Tower REIT common stock compared to yields on other financial instruments. If, for example, an increase in market interest rates results in higher yields on other financial instruments, the market price of our common stock could be adversely affected. In addition, our use of TRSs may cause the market to value our common stock differently than the shares of other REITs, which may not use TRSs as extensively as we will. The market price of our common stock will also be affected by general market conditions (as the price of the Class A common stock currently is) and will be potentially affected by the economic and market perception of REIT securities.

We have no experience operating as a REIT, which may adversely affect our financial condition, results of operations, cash flow, per share trading price of American Tower REIT common stock and ability to satisfy debt service obligations.

American Tower REIT was formed on May 17, 2011 and has no operating history as a REIT. In addition, our senior management team has no experience operating a REIT. We cannot assure you that our past experience will be sufficient to operate our company successfully as a REIT. Failure to maintain REIT status could adversely affect our financial condition, results of operations, cash flow, per share trading price of American Tower REIT common stock and ability to satisfy debt service obligations.

Legislative or other actions affecting REITs could have a negative effect on us or our stockholders.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. Federal and state tax laws are constantly under review by persons involved in the legislative

process, the IRS, the United States Department of the Treasury and state taxing authorities. Changes to the tax laws, regulations and administrative interpretations, which may have retroactive application, could adversely affect us. We cannot predict with certainty whether, when, in what forms, or with what effective dates, the tax laws, regulations and administrative interpretations applicable to us may be changed. Accordingly, we cannot assure you that any such change will not significantly affect our ability to qualify for taxation as a REIT or the federal income tax consequences to us of such qualification.

If we complete the merger before we pay the special E&P distribution, you must hold your American Tower REIT common stock until the record date in order for you to receive the special E&P distribution.

Although we expect to pay the special E&P distribution before completing the merger, it is possible that the merger may be approved and completed before the record date for the special E&P distribution. If so, you must hold your shares of American Tower REIT common stock that you receive pursuant to the merger until the record date for the special E&P distribution in order to receive that distribution. We currently anticipate the record date for the special E&P distribution will be in the fourth quarter of 2011. During the period from the declaration of the special E&P distribution until the record date, your shares of Class A common stock or American Tower REIT common stock, as applicable, will be subject to market risks and other risks inherent in holding equity securities, including the risk that the market price of the stock may decline. In the event you dispose of your American Tower REIT common stock prior to the record date for the special E&P distribution, you will not receive the special E&P distribution.

Distributions payable by REITs generally do not qualify for reduced tax rates.

Certain distributions payable by corporations to individuals, trusts and estates that are U.S. stockholders, as defined in Material Federal Income Tax Consequences below, are currently eligible for federal income tax at a maximum rate of 15% and are scheduled to be taxed at ordinary income rates for taxable years beginning after December 31, 2012. Distributions payable by REITs, in contrast, generally are not eligible for the current reduced rates. The more favorable rates applicable to regular corporate distributions could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stock of non-REIT corporations that pay distributions, which could adversely affect the value of the stock of REITs, including American Tower REIT common stock.

Distributions to non-U.S. stockholders generally are subject to withholding.

Ordinary dividends received by non-U.S. stockholders that are not effectively connected with the conduct of a United States trade or business generally are subject to United States withholding tax at a rate of 30%, unless reduced by an applicable income tax treaty. Special and more onerous rules may apply to non-U.S. stockholders that own or have owned more than 5% of Class A common stock or American Tower REIT common stock.

Your investment has various tax risks.

Although the provisions of the Code that will be generally relevant to an investment in shares of American Tower REIT common stock are described in Material Federal Income Tax Consequences, we urge you to consult your tax advisor concerning the federal, state, local and foreign tax consequences to you with regard to an investment in shares of American Tower REIT common stock.

The ability of the American Tower REIT board of directors to revoke our REIT qualification, without stockholder approval, may cause adverse consequences to our stockholders.

The American Tower REIT Charter provides that the board of directors may revoke or otherwise terminate the REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we will not be allowed a deduction for dividends paid to stockholders in computing our taxable income, and we will be subject to federal income tax at regular corporate rates and state and local taxes, which may have adverse consequences on our total return to our stockholders.

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Risks Related to Our Business

Decrease in demand for our communications sites would materially and adversely affect our operating results and we cannot control that demand.

Many of the factors affecting the demand for our communications sites, and to a lesser extent our network development services, could materially and adversely affect our operating results. Those factors include:

- a decrease in consumer demand for wireless services due to general economic conditions or other factors;
- the financial condition of wireless service providers;
- the ability and willingness of wireless service providers to maintain or increase capital expenditures on network infrastructure;
- the growth rate of wireless communications or of a particular wireless segment;
- governmental licensing of spectrum;
- mergers or consolidations among wireless service providers;
- increased use of network sharing, roaming or resale arrangements by wireless service providers;
- delays or changes in the deployment of next generation wireless technologies;
- zoning, environmental, health or other government regulations or changes in the application and enforcement thereof; and
- technological changes.

Any downturn in the economy or disruption in the financial and credit markets could impact consumer demand for wireless services. If wireless service subscribers significantly reduce their minutes of use, or fail to widely adopt and use wireless data applications, our wireless service provider tenants could experience a decrease in demand for their services. As a result, they may scale back their business plans or otherwise reduce their spending, which could materially and adversely affect leasing demand for our communications sites and our network development services business, which could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, the demand for broadcast space in the United States and Mexico depends on the needs of television and radio broadcasters. Among other things, technological advances, including the development of satellite-delivered radio and video services, may reduce the need for tower-based broadcast transmission. In addition, any significant increase in attrition rate or decrease in overall demand for broadcast space could have a material adverse effect on our business, results of operations or financial condition.

If our tenants consolidate or merge with each other to a significant degree, our growth, revenue and ability to generate positive cash flows could be materially and adversely affected.

Significant consolidation among our tenants may result in the decommissioning of certain existing communications sites, because certain portions of these tenants networks may be redundant. For example, in connection with the proposed combination of AT&T Inc. and T-Mobile USA and the combinations of Verizon Wireless and ALLTEL (to form Verizon Wireless), Cingular and AT&T Wireless (to form AT&T Mobility) and Sprint PCS and Nextel (to form Sprint Nextel) in the United States, and of Iusacell Celular and Unefon (now under the common ownership of Grupo Iusacell) in Mexico, the combined companies either rationalized or have announced plans to rationalize duplicative parts of their networks, which may result in the decommissioning of certain equipment on our communications sites. We would expect a similar outcome in India if the anticipated consolidation of certain tenants occurs. In addition, certain combined companies have undergone or are currently undergoing a modernization of their networks, and these and other tenants could determine not to renew leases

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with us as a result. Our future results may be negatively impacted if a significant number of these leases are terminated, and our ongoing contractual revenues would be reduced as a result. Similar consequences might occur if wireless service providers engage in extensive sharing, roaming or resale arrangements as an alternative to leasing on our communications sites.

New technologies or changes in a tenant s business model could make our tower leasing business less desirable and result in decreasing revenues.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or changes in a tenant s business model could reduce the need for tower-based wireless services, have the effect of decreasing demand for tower space, or reduce obtainable lease rates. Examples of such technologies include spectrally efficient air access technologies which potentially can relieve some network capacity problems and could reduce the demand for tower-based antenna space. Additionally, certain complementary network technologies, such as femtocells, could offload a portion of network traffic away from the traditional tower-based networks, which would reduce the need for carriers to add more equipment at certain communications sites. Moreover, the emergence of alternative technologies could reduce the need for tower-based broadcast services transmission and reception. For example, the growth in delivery of wireless communication, radio and video services by direct broadcast satellites could materially and adversely affect demand for our antenna space. The development and implementation of any of these and similar technologies to any significant degree or changes in a tenant s business model could have a material adverse effect on our business, results of operations or financial condition.

Our expansion initiatives may disrupt our operations or expose us to additional risk if we are not able to successfully integrate operations, assets and personnel.

As we continue to acquire communications sites in our existing markets and expand into new markets, we are subject to a number of risks and uncertainties, including not meeting our return on investment criteria and financial objectives, increased costs, assumed liabilities and the diversion of managerial attention due to acquisitions. Achieving the benefits of acquisitions depends in part on integrating operations, communications tower portfolios and personnel in a timely and efficient manner. Integration may be difficult and unpredictable for many reasons, including, among other things, differing systems and processes, potential cultural differences, and conflicting policies, procedures and operations. In addition, the integration of businesses may significantly burden management and our internal resources.

Furthermore, our international expansion initiatives are subject to additional risks such as complex laws, regulations and business practices that may require additional resources and personnel, as well as those risks described below in Our foreign operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates. Although we generally focus our international efforts in countries with relatively stable political and macroeconomic environments, we are subject to several factors outside our control, and our expansion initiatives may not succeed and may materially and adversely affect our business, results of operations or financial condition.

We could suffer adverse tax or other financial consequences if taxing authorities do not agree with our tax positions.

We are periodically subject to examinations by taxing authorities in the states and countries where we do business, and we expect that we will continue to be subject to tax examinations in the future. In addition, U.S. federal, state and local, as well as international, tax laws and regulations are extremely complex and subject to varying interpretations. We recognize tax benefits of uncertain tax positions when we believe the positions are more likely than not of being sustained upon a challenge by the relevant tax authority. We believe our judgments in this area are reasonable and correct, but there is no guarantee that our tax positions will not be challenged by

relevant tax authorities or that we would be successful in any such challenge. If there are tax benefits that are challenged successfully by a taxing authority, we may be required to pay additional taxes or we may seek to enter into settlements with the taxing authorities, which could require significant payments or otherwise have a material adverse effect on our business, results of operations or financial condition.

Due to the long-term expectations of revenue growth from tenant leases, we are sensitive to changes in the creditworthiness and financial strength of our tenants.

Due to the long-term nature of our tenant leases, we, like others in the tower industry, depend on the continued financial strength of our tenants. Many wireless service providers operate with substantial leverage. In the past, we have had tenants that have filed for bankruptcy, although to date these bankruptcies have not had a material adverse effect on our business or revenues. In addition, many of our tenants and potential tenants rely on capital raising activities to fund their operations and capital expenditures, and the downturn in the economy and the disruptions in the financial and credit markets have periodically made it more difficult and more expensive to raise capital. If our tenants or potential tenants are unable to raise adequate capital to fund their business plans, they may reduce their spending, which could materially and adversely affect demand for our communications sites and our network development services business. If, as a result of a prolonged economic downturn or otherwise, one or more of our significant tenants experienced financial difficulties or filed for bankruptcy, it could result in uncollectable accounts receivable and an impairment on our deferred rent asset, tower asset, network location intangible asset, customer relationship intangible asset or customer base intangible asset. In addition, it could result in the loss of significant tenants and all or a portion of our anticipated lease revenues from certain tenants, all of which could have a material adverse effect on our business, results of operations or financial condition.

Our foreign operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates.

Our international business operations and our expansion into new markets in the future could result in adverse financial consequences and operational problems not typically experienced in the United States. For the six months ended June 30, 2011, approximately 25% of our consolidated revenue was generated by our international operations. We anticipate that our revenues from our international operations will grow in the future. Accordingly, our business is subject to risks associated with doing business internationally, including:

- changes in a specific country s or region s political or economic conditions;
- laws and regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes to existing or new tax laws directed specifically at the ownership and operation of communications sites, or our international acquisitions, which may be applied and enforced retroactively;
- expropriation and governmental regulation restricting foreign ownership;
- possible failure to comply with anti-bribery laws such as the Foreign Corrupt Practices Act and similar local anti-bribery laws; and
- uncertainties regarding legal or judicial systems, including inconsistencies between and within laws, regulations and decrees, and judicial application thereof, which may be enforced retroactively.

In our international operations, many of our tenants are subsidiaries of global telecommunications companies. These subsidiaries may not have the explicit or implied financial support of their parent entities. In addition, as we continue to invest in joint venture opportunities internationally, our partners may have business or economic goals that are inconsistent with ours, be in positions to take action or withhold consents contrary to our requests, or become unable or unwilling to fulfill their commitments which could require us to assume and fulfill the obligations of that joint venture.

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We also face risks associated with changes in foreign currency exchange rates, including those arising from our operations, investments and financing transactions related to our international business. Volatility in foreign currency exchange rates can also affect our ability to plan, forecast and budget for our international operations and expansion efforts. Our revenues earned from our international operations are primarily denominated in the respective local currencies. We have not historically engaged in significant currency hedging activities relating to our non-U.S. Dollar operations, and a weakening of these foreign currencies against the U.S. Dollar would have a negative impact on our reported revenues and operating profits, which could have a material adverse effect on our business, results of operations or financial condition.

We anticipate that we may need additional financing to fund capital expenditures, to fund future growth and expansion initiatives and to return capital to stockholders.

In order to fund capital expenditures, to fund future growth and expansion initiatives and to return capital to our stockholders, we may need to raise additional capital through financing activities. We believe our cash provided by operations for the year ending December 31, 2011 will sufficiently fund our cash needs for operations, capital expenditures and cash debt service (interest and principal repayments) obligations for 2011. However, we anticipate that we may need to obtain additional sources of capital in the future to fund capital expenditures and growth initiatives and to support additional return of capital to stockholders. Depending on market conditions, we may seek to raise capital through credit facilities or debt or equity offerings. Additionally, a downgrade of our credit rating below investment grade could negatively impact our ability to access credit markets or preclude us from obtaining funds on investment grade terms and conditions. Further, certain of our current debt instruments limit the amount of indebtedness we and our subsidiaries may incur. Additional financing, therefore, may be unavailable, more expensive or restricted by the terms of our outstanding indebtedness. If we are unable to raise capital when our needs arise, we may not be able to fund our capital expenditures, to fund future growth and expansion initiatives or to return capital to our stockholders.

A substantial portion of our revenue is derived from a small number of customers.

A substantial portion of our total operating revenues is derived from a small number of customers. For the six months ended June 30, 2011, four customers accounted for approximately 73% of our domestic rental and management segment revenue; and four customers accounted for approximately 44% of our international rental and management segment revenue, and this concentration could be greater should potential acquisitions by our customers be approved by certain regulatory authorities. If any of these customers are unwilling or unable to perform its obligations under our agreements with it, our revenues, results of operations, financial condition and liquidity could be materially and adversely affected. In the ordinary course of our business, we do occasionally experience disputes with our customers, generally regarding the interpretation of terms in our leases. Although we have historically resolved these disputes in a manner that did not have a material adverse effect on us or our customer relationships, it is possible that such disputes could lead to a termination of our leases with customers or a material modification of the terms of those leases, either of which could have a material adverse effect on our business, results of operations and financial condition. If we are forced to resolve any of these disputes through litigation, our relationship with the applicable customer could be terminated or damaged, which could lead to decreased revenues or increased costs, resulting in a corresponding adverse effect on our business, results of operations or financial condition.

Our largest international customer is Iusacell, which is the brand name under which a group of companies controlled by Grupo Iusacell, S.A. de C.V., or Grupo Iusacell, operates. Iusacell represented approximately 4% of our total revenue for the six months ended June 30, 2011. Grupo Iusacell has been engaged in a refinancing of a majority of its U.S. Dollar denominated debt, and in connection with this process, two of the legal entities of the group, including Grupo Iusacell, voluntarily filed for a pre-packaged Concurso Mercantil (a process substantially equivalent to Chapter 11 of U.S. Bankruptcy Law) with the backing of a majority of their financial creditors in December 2010 and subsequently concluded the process in April 2011 after a Mexican court ruled in favor of the refinancing plan presented by the two legal entities. As of June 30, 2011, Iusacell notes receivable, net, and related assets (which include financing lease commitments and a deferred rent asset that are primarily long term in nature) were $20.9 million and $61.0 million, respectively.

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Increasing competition in the tower industry may create pricing pressures that may materially and adversely affect us.

Our industry is highly competitive, and our tenants have numerous alternatives for leasing antenna space. Some of our competitors, such as wireless carriers that allow collocation on their towers, are larger and may have greater financial resources than we do, while other competitors may have lower return on investment criteria than we do.

Competitive pricing pressures for tenants on towers from these competitors could materially and adversely affect our lease rates and services income. In addition, we may not be able to renew existing tenant leases or enter into new tenant leases, resulting in a material adverse impact on our results of operations and growth rate. Increasing competition could also make the acquisition of high quality tower assets more costly. Any of these factors could materially and adversely affect our business, results of operations or financial condition.

Our business is subject to government regulations and changes in current or future laws or regulations could restrict our ability to operate our business as we currently do.

Our business, and that of our tenants, is subject to federal, state, local and foreign regulation. In certain jurisdictions these regulations could be applied or enforced retroactively. Local zoning authorities and community organizations are often opposed to construction in their communities and these regulations can delay, prevent or increase the cost of new tower construction, modifications, additions of new antennas to a site or site upgrades, thereby limiting our ability to respond to customer demands and requirements. In addition, in certain foreign jurisdictions we are required to pay annual license fees, and these fees may be subject to substantial increases by the government. Existing regulatory policies may materially and adversely affect the associated timing or cost of such projects and additional regulations may be adopted which increase delays or result in additional costs to us, or that prevent such projects in certain locations. These factors could materially and adversely affect our business, results of operations or financial condition. For more information regarding the regulations we are subject to, please see the section entitled Regulatory Matters.

If we are unable or choose not to exercise our rights to purchase towers that are subject to lease and sublease agreements at the end of the applicable period, our cash flows derived from such towers would be eliminated.

Our communications site portfolio includes towers that we operate pursuant to lease and sublease agreements that include a purchase option at the end of each lease period. We may not have the required available capital to exercise our right to purchase leased or subleased towers at the end of the applicable period. Even if we do have available capital, we may choose not to exercise our right to purchase such towers for business or other reasons. In the event that we do not exercise these purchase rights, or are otherwise unable to acquire an interest that would allow us to continue to operate these towers after the applicable period, we will lose the cash flows derived from such towers, which may have a material adverse effect on our business. In the event that we decide to exercise these purchase rights, the benefits of the acquisitions of such towers may not exceed the associated acquisition, compliance and integration costs, and our business, results of operations or financial condition could be materially and adversely affected.

If we are unable to protect our rights to the land under our towers, it could adversely affect our business and operating results.

Our real property interests relating to our towers consist primarily of leasehold and sub-leasehold interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular tower site may interfere with our ability to operate a tower and generate revenues. For various reasons, we may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to completing an acquisition of communications sites, which can affect our rights to access and operate a site. From time to time we also experience disputes with landowners regarding the terms of ground agreements for land under a tower, which can affect our ability to access and operate a tower site. Further, for various reasons, landowners may not

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want to renew their ground agreements with us, they may lose their rights to the land, or they may transfer their land interests to third parties, including ground lease aggregators, which could affect our ability to renew ground agreements on commercially viable terms. Approximately 86% of the communications sites in our portfolio as of June 30, 2011 are located on land we lease, but do not own. Approximately 86% of the ground leases for these sites have a final expiration date of 2020 and beyond. Our inability to protect our rights to the land under our towers may have a material adverse effect on our business, results of operations or financial condition.

Our leverage and debt service obligations may materially and adversely affect us.

As of June 30, 2011, we had approximately $5.7 billion of consolidated debt, and the ability to borrow additional amounts of approximately $2.0 billion under our Revolving Credit Facility and Supplemental Credit Facility. Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay when due the principal of, interest on, or other amounts due with respect to, our indebtedness. We are also permitted, subject to certain restrictions under our existing indebtedness, to draw down on our Revolving Credit Facility and our Supplemental Credit Facility, and obtain additional long-term debt and working capital lines of credit to meet future financing needs. This would increase our total leverage.

Our leverage could have significant negative consequences on our financial condition and results of operations, including:

- impairing our ability to meet one or more of the financial ratio covenants contained in our debt agreements or to generate cash sufficient to pay interest or principal due under those agreements, which could result in an acceleration of some or all of our outstanding debt and the loss of towers subject to the Securitization if an uncured default occurs;

- increasing our vulnerability to general adverse economic and industry conditions;

- limiting our ability to obtain additional debt or equity financing;

- increasing our borrowing costs if our current investment grade debt ratings decline;

- requiring the dedication of a substantial portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures;

- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;

- limiting our flexibility in planning for, or reacting to, changes in our business and the markets in which we compete;

- limiting our ability to repurchase our common stock or make distributions to our stockholders; and

- placing us at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

Restrictive covenants in the loan agreements related to our Securitization, the loan agreements for the credit facilities, and the indentures governing our debt securities could materially and adversely affect our business by limiting flexibility.

The loan agreement related to our Securitization includes operating covenants and other restrictions customary for loans subject to rated securitizations. Among other things, the borrowers under the loan agreement for the Securitization are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets. A failure to comply with the covenants in the loan agreement could prevent the borrowers from taking certain actions with respect to the towers subject to the Securitization, and could prevent the borrowers from distributing any excess cash from the operation of such towers to us. If the borrowers were to default on the loan, the servicer on the loan could seek to foreclose upon or otherwise convert the ownership of the towers subject to the Securitization, in which case we could lose such towers and the revenue associated with such towers.

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The loan agreements for the Revolving Credit Facility, Term Loan and Supplemental Credit Facility each contain restrictive covenants, as well as requirements to comply with certain leverage and other financial maintenance tests, and thus may require that we limit our ability to take various actions, such as incurring additional debt, guaranteeing indebtedness, paying dividends or other distributions to stockholders, and engaging in various types of transactions, including mergers, acquisitions and sales of assets. Additionally, our indentures restrict our and our subsidiaries ability to incur liens securing our or their indebtedness. These covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, new tower development, mergers and acquisitions or other opportunities.

In addition, reporting and information covenants in our loan agreements and indentures require that we provide financial and operating information within certain time periods. If we are unable to timely provide the required information, we would be in breach of these covenants. For more information regarding the covenants and requirements discussed above, please see Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2010 under the caption Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Factors Affecting Sources of Liquidity and note 6 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2010.

We could have liability under environmental laws.

Our operations, like those of other companies engaged in similar businesses, are subject to the requirements of various federal, state, local and foreign environmental and occupational safety and health laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. As the owner, lessee or operator of real property and facilities, we may be liable for substantial costs of investigation, removal or remediation of soil and groundwater contaminated by hazardous materials, without regard to whether we, as the owner, lessee or operator, knew of, or were responsible for, the contamination. We may also be liable for certain costs of remediating contamination at third-party sites to which we sent waste for disposal, even if the original disposal may have complied with all legal requirements at the time. Many of these laws and regulations contain information reporting and record keeping requirements. We cannot assure you that we are at all times in complete compliance with all environmental requirements. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. In certain jurisdictions these laws and regulations could be applied or enforced retroactively. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, results of operations or financial condition.

Our towers or data centers may be affected by natural disasters and other unforeseen damage for which our insurance may not provide adequate coverage.

Our towers are subject to risks associated with natural disasters, such as ice and wind storms, tornadoes, floods, hurricanes and earthquakes, as well as other unforeseen damage. Any damage or destruction to our towers or data centers as a result of these or other events would impact our ability to provide services to our tenants and could materially and adversely impact our results of operation or financial condition. While we maintain insurance coverage for natural disasters, we may not have adequate insurance to cover the associated costs of repair or reconstruction for a major future event. Further, we carry business interruption insurance, but such insurance may not adequately cover all of our lost revenues, including potential revenues from new tenants that could have been added to our towers but for the damage. If we are unable to provide services to our tenants as a result of damage to our towers, it could lead to customer loss, resulting in a corresponding material adverse effect on our business, results of operations or financial condition.

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Our costs could increase and our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated.

Public perception of possible health risks associated with cellular and other wireless communications technology could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites. The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact the market for wireless services, as well as our tenants, which could materially and adversely affect our business, results of operations or financial condition. We do not maintain any significant insurance with respect to these matters.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated by reference contain statements about future events and expectations, or forward-looking statements, all of which are inherently uncertain. We have based those forward-looking statements on our current expectations and projections about future results. When we use words such as anticipates, intends, plans, believes, estimates, expects, or similar expres we identify forward-looking statements. Examples of forward-looking statements include statements we make regarding our ability to qualify or to remain qualified as a REIT, our expected date of conversion to a REIT, the amount and timing of the special E&P distribution, future prospects of growth in the communications site leasing industry, the level of future expenditures by companies in this industry and other trends in this industry, the effects of consolidation among companies in our industry and among our tenants, our ability to maintain or increase our market share, our future operating results, our future distributions to our stockholders, our future purchases under our stock repurchase program, our future capital expenditure levels, our future financing transactions and our plans to fund our future liquidity needs. These statements are based on our management s beliefs and assumptions, which in turn are based on currently available information. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, those described in the section entitled Risk Factors beginning on page 19 or incorporated by reference to this proxy statement/prospectus and other risks which are described in American Tower s filings with the SEC.

You should keep in mind that any forward-looking statement we make in this proxy statement/prospectus or elsewhere speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors, including those set forth under the caption Risk Factors, may cause actual results to differ materially from those indicated by our forward-looking statements. We have no duty to, and do not intend to, update or revise the forward-looking statements we make in this proxy statement/prospectus, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the future events or circumstances described in any forward-looking statement we make in this proxy statement/prospectus or elsewhere might not occur.

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VOTING AND PROXIES

This proxy statement/prospectus is furnished in connection with the solicitation of proxies by the board of directors of American Tower for use at the special meeting of stockholders to be held on November 29, 2011, or any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

The special meeting will be held on November 29, 2011 at 11:00 a.m., local time, in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts, 02116.

Purpose of the Special Meeting

The purposes of the special meeting are:

- To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of August 24, 2011, by and between American Tower and American Tower REIT, which is part of the reorganization of American Tower s operations through which American Tower intends to qualify as a REIT for federal income tax purposes; and

- To consider and vote upon a proposal to permit American Tower s board of directors to adjourn the special meeting if necessary for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposal.

Stockholder Record Date for the Special Meeting

American Tower s board of directors has fixed the close of business on October 3, 2011 as the record date for determining which American Tower stockholders are entitled to notice of, and to vote those shares by proxy or at the special meeting and at any adjournment of the special meeting. On the record date, there were 393,374,333 shares of Class A common stock outstanding, held by approximately 445 holders of record.

During the ten-day period before the special meeting, American Tower will keep a list of stockholders entitled to vote at the special meeting available for inspection during normal business hours at American Tower s offices in Boston, Massachusetts, for any purpose germane to the special meeting. The list of stockholders will also be provided and kept at the location of the special meeting for the duration of the special meeting, and may be inspected by any stockholder who is present.

Quorum

A quorum is necessary to hold the special meeting. A majority of the outstanding shares of Class A common stock on the record date must be represented either in person or by proxy to constitute a quorum at the special meeting. For the purposes of determining the presence of a quorum, abstentions will be included in determining the number of shares of Class A common stock present and entitled to vote at the special meeting; however, because brokers, banks or other nominees are not entitled to vote on the proposal to adopt the merger agreement absent specific instructions from the beneficial owner (as more fully described below) shares held by brokers, banks, or other nominees for which instructions have not been provided will not be included in the number of shares present and entitled to vote at the special meeting for the purposes of establishing a quorum. At the special meeting, each share of Class A common stock is entitled to one vote on all matters properly submitted to the American Tower stockholders.

Vote Required for Each Proposal

Proposal Number One: The affirmative vote of the holders of at least a majority of the outstanding shares of Class A common stock entitled to vote is required for the adoption of the merger agreement.

Proposal Number Two: The affirmative vote of the holders of at least a majority of the shares of Class A common stock voting on the proposal is required to permit American Tower s board of directors to adjourn the special meeting, if necessary, to solicit further proxies.

The American Tower board of directors unanimously recommends that the American Tower stockholders vote FOR each of the proposals.

Proxies

If you are a holder of Class A common stock on the record date, you may vote by completing, signing and promptly returning the proxy card in the self-addressed stamped envelope provided. You may also authorize a proxy to vote your shares by telephone or over the Internet as described in your proxy card. Authorizing a proxy to vote your shares by telephone or over the Internet will not limit your right to attend the special meeting and vote your shares in person. Those stockholders of record who choose to vote by telephone or over the Internet must do so no later than 11:59 p.m., Eastern Time, on November 28, 2011. All shares of Class A common stock represented by properly executed proxy cards received before or at the American Tower special meeting and all proxies properly submitted by telephone or over the Internet will, unless the proxies are revoked, be voted in accordance with the instructions indicated on those proxy cards, telephone or Internet submissions. If no instructions are indicated on a properly executed proxy card, the shares will be voted **FOR** each of the proposals. You are urged to indicate how to vote your shares, whether you vote by proxy card, by telephone or over the Internet.

If a properly executed proxy card is returned or properly submitted by telephone or over the Internet and the stockholder has abstained from voting on one or more of the proposals, the Class A common stock represented by the proxy will be considered present at the special meeting for purposes of determining a quorum, but will not be considered to have been voted on the abstained proposals. For the proposal to adopt the merger agreement, abstentions have the same effect as a vote against the merger. For the proposal to adjourn the meeting to solicit additional proxies, abstentions have the same effect as a vote against such proposal.

If your shares are held in an account at a broker, bank or other nominee, you must instruct them on how to vote your shares. If an executed proxy card is returned by a broker, bank or other nominee holding shares that indicates that the broker, bank or other nominee does not have discretionary authority to vote on the proposals, the shares will be considered present at the meeting for purposes of determining the presence of a quorum, but will not be considered to have been voted on the proposals. Under applicable rules and regulations of the NYSE, brokers, banks or other nominees have the discretion to vote on routine matters, but do not have the discretion to vote on non-routine matters. The proposal to adopt the merger agreement is a non-routine matter. Accordingly, your broker, bank or other nominee will vote your shares only if you provide instructions on how to vote by following the information provided to you by your broker, bank or other nominee. If you do not provide voting instructions, your shares will be considered broker non-votes because the broker, bank or other nominee will not have discretionary authority to vote your shares. Therefore, your failure to provide voting instructions to the broker, bank, or other nominee will have the same effect as a vote against adoption of the merger agreement.

Revoking Your Proxy

You can change your vote at any time before your proxy is voted at the special meeting. To revoke your proxy, you must either (1) notify the secretary of American Tower in writing, (2) mail a new proxy card dated after the date of the proxy you wish to revoke, (3) submit a later dated proxy, by telephone or over the Internet by following the instructions on your proxy card or (4) attend the special meeting and vote your shares in person. Merely attending the special meeting will not constitute revocation of your proxy. If your shares are held through a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

Adjournment or Postponement

Although it is not currently expected, the special meeting may be adjourned to solicit additional proxies if there are not sufficient votes to adopt the merger agreement. In that event, American Tower may ask its

stockholders to vote upon the proposal to consider the adjournment of the special meeting to solicit additional proxies, but not the proposal to adopt the merger agreement. If American Tower stockholders approve this proposal, we could adjourn the meeting and use the time to solicit additional proxies.

Additionally, at any time prior to convening the special meeting, we may seek to postpone the meeting if a quorum is not present at the meeting or as otherwise permitted by the American Tower Charter, the American Tower By-Laws or as otherwise permitted by applicable law.

Solicitation of Proxies

American Tower will bear all expenses incurred in connection with the printing and mailing of this proxy statement/prospectus. American Tower will also request banks, brokers and other nominees holding shares of Class A common stock beneficially owned by others to send this proxy statement/prospectus to, and obtain proxies from, the beneficial owners and will, upon request, reimburse the holders for their reasonable expenses in so doing. Solicitation of proxies by mail may be supplemented by telephone and other electronic means and personal solicitation by the officers or employees of American Tower. No additional compensation will be paid to officers or employees for those solicitation efforts.

American Tower has hired Alliance Advisors, LLC to assist in obtaining proxies from its stockholders on a timely basis. American Tower will pay Alliance Advisors, LLC a fee of $6,500, plus reasonable out-of-pocket expenses and disbursements, for these services.

Other Matters

American Tower is not aware of any business to be acted on at the special meeting, except as described in this proxy statement/prospectus. If any other matters are properly presented at the special meeting, or any adjournment or postponement of the special meeting, the persons appointed as proxies or their substitutes will have discretion to vote or act on the matter according to their best judgment and applicable law unless the proxy indicates otherwise.

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BACKGROUND OF THE REIT CONVERSION AND THE MERGER

As part of an ongoing strategic review of our business, the board of directors of American Tower and senior management regularly consider available global tax planning strategies. We historically have had significant deferred tax assets related to our NOLs in federal and state taxing jurisdictions. Generally, for federal and state income tax purposes, NOLs can be carried forward and used for up to twenty years, and the tax years will remain subject to examination by the IRS until three years after the applicable NOLs are used or expire. As we expected to exhaust our available NOLs over the course of the next several years, senior management believed that an analysis of the feasibility of American Tower converting to a REIT for federal and, where applicable, state income tax purposes should be undertaken and presented to the board of directors. In September 2008, senior management began consulting with Sullivan & Worcester LLP regarding the tax implications of a possible conversion to a REIT.

During regularly scheduled meetings of the board of directors in 2009, as part of our strategic review of our global tax planning, the feasibility of converting to a REIT was discussed. Senior management reported on the rationale for a possible conversion to a REIT, the requirements to qualify as a REIT, including the REIT asset tests, and the requirement to distribute our pre-REIT accumulated earnings and profits.

In May 2009, in light of the events described above, we engaged PricewaterhouseCoopers LLP to further evaluate and advise us regarding the tax implications of a possible conversion to a REIT. That evaluation included, among other things, undertaking an analysis regarding the amount of our pre-REIT accumulated earnings and profits that we would need to distribute in connection with a REIT conversion and analyzing our ability to satisfy the REIT income and asset tests currently and in the future under a variety of possible scenarios. Also, during this period, the board of directors determined that it would be advisable to request PricewaterhouseCoopers LLP and Sullivan & Worcester LLP to prepare a private letter ruling request to the IRS with respect to a number of REIT qualification matters. This private letter ruling request is more fully described in the section entitled Material Federal Income Tax Consequences.

In the second half of 2009, senior management met regularly with representatives of Goldman, Sachs & Co. to review considerations around a possible REIT conversion, including valuation perspectives, balance sheet considerations, ability to grow and continued access to capital markets.

During regularly scheduled meetings of the board of directors in the first half of 2010, the board of directors, with input from senior management, continued to discuss the possible conversion to a REIT.

In July 2010, we submitted a private letter ruling request to the IRS with respect to a number of REIT qualification matters. Subsequently, we retained Goodwin Procter LLP to assist us and our other advisors in analyzing the legal and regulatory issues associated with a possible REIT conversion.

On August 10-11, 2010, at regularly scheduled meetings of the board of directors, our general counsel and chief financial officer updated the board of directors on the legal and financial matters related to a possible REIT conversion.

On March 10, 2011, at a regularly scheduled meeting of the board of directors, senior management provided an overview of the analysis completed to date by senior management and our advisors. Representatives of Goldman, Sachs & Co. were present at the meeting. Goldman, Sachs & Co. reviewed the rationale for American Tower to convert to a REIT, including the potential impact on stockholder value attributable to the REIT conversion. Goldman, Sachs & Co. also reviewed the impact of the possible REIT conversion on our continued ability to grow both organically and acquisitively, and on our ability to continue to access the capital markets as a REIT. In addition, representatives of Goldman, Sachs & Co. reviewed the requirements to qualify as a REIT (including the REIT asset tests, income tests, distribution requirements and the distribution of pre-REIT accumulated earnings and profits) and whether compliance with the REIT requirements would offset the

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expected advantages of the possible REIT conversion from a financial perspective. In particular, Goldman, Sachs & Co. reviewed the structuring considerations relating to our international assets and the use of TRSs and QRSs to hold these and other assets following the REIT conversion and how these various structures could provide us with sufficient financial flexibility to grow our international business. The board of directors also considered and reviewed with Goldman, Sachs & Co. and senior management potential concerns raised by the REIT conversion, including any limitations on our ability to buy non-qualifying assets or expand non-real estate activities, any restrictions on potential changes in business strategy, investor pressures against pursuing growth opportunities that are not immediately accretive and the impact of potential future legislative tax changes on REITs.

In April 2011, we received our private letter ruling from the IRS with respect to the principal REIT qualification matters we requested, as described in the section entitled Material Federal Income Tax Consequences.

On May 19, 2011, at a regularly scheduled meeting of the board of directors, the board of directors met with senior management to review the proposed REIT conversion. A representative of Goodwin Procter LLP was also present at the meeting. The meeting participants undertook a review of the valuation methodologies for valuing assets under various REIT qualification tests. The board of directors also reviewed the process for the determination and payment of the special E&P distribution, as well as the schedule for the utilization of NOLs to offset our distribution requirements. The board of directors also reviewed the timing and mechanics of such distribution requirements. The board of directors also reviewed the process for the determination and payment of the special E&P distribution, as well as the timing and mechanics of distribution requirements and the utilization of NOLs to offset distribution requirements. Goodwin Procter LLP outlined the general structure of the proposed REIT conversion, indicating that the merger s primary purpose was to facilitate compliance with REIT ownership limitations. Goodwin Procter LLP also reviewed the board s fiduciary duties under Delaware Corporate Law and the complexity of complying with the REIT requirements.

After discussion and review of the benefits, detriments and procedural requirements specified above in connection with the proposed REIT conversion with senior management and our advisors, the board of directors unanimously approved the commencement of the steps necessary to reorganize American Tower to qualify, no earlier than January 1, 2012, as a REIT for tax purposes.

On August 23-24, 2011, at regularly scheduled meetings of the board of directors, the board of directors met with senior management to continue their review of the proposed REIT conversion. Representatives of Goldman, Sachs & Co. were also present at the meeting. The board of directors reviewed a valuation methodology presentation prepared by Goldman, Sachs & Co., as well as a valuation report prepared internally, which assisted the board of directors in determining the nature and value of the assets on our audited financial statements for purposes of the various REIT asset and income tests under Section 856 of the Code. Upon review and due consideration of these materials, our board of directors determined, to the maximum extent it is authorized and afforded discretion to determine such matters under applicable federal income tax laws (including in particular Section 856(c)(5)(A) of the Code), (a) substantially all of our intangible assets (including goodwill) are inextricably and compulsorily tied to, and derived from, our real estate assets and (b) the value of our assets, including the value of our towers, buildings, land, intangibles and other assets, are such that we meet all of the REIT asset tests described below in the section entitled Material Federal Income Tax Consequences. After discussion, the board of directors unanimously directed senior management to proceed with the proposed REIT conversion, subject to final board approval. The board of directors then reviewed the merger agreement, the American Tower REIT Charter and the American Tower REIT By-Laws.

After discussion and review of the terms and conditions thereof, the board of directors unanimously approved the merger agreement, and after determining that it is in the best interests of American Tower and its stockholders, unanimously recommended that American Tower stockholders vote for the adoption of the merger agreement.

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OUR REASONS FOR THE REIT CONVERSION AND THE MERGER

The American Tower board of directors has unanimously determined that the merger, which we believe is an important element of the REIT conversion, and the related transactions are fair to, and in the best interests of, American Tower and its stockholders. In reaching this determination, the board of directors consulted with management, as well as Goldman, Sachs & Co., PricewaterhouseCoopers LLC and its legal advisors. The factors considered by the board of directors in reaching its determination included, but were not limited to, the following:

- *To increase stockholder value*: As a REIT, we believe we will be able to increase the value of American Tower REIT common stock by reducing corporate level taxes on most of our domestic income, primarily the income we receive from leasing our domestic wireless and broadcast communications towers, which in turn may increase the amount of future distributions to stockholders;

- *To return capital to stockholders*: We believe our stockholders will benefit from establishing regular cash distributions, resulting in a yield-oriented stock;

- *To expand our base of potential stockholders*: By becoming a company that makes regular distributions to its stockholders, our stockholder base may expand to include investors attracted by yield, which may improve the liquidity of the American Tower REIT common stock and provide a broader stockholder base; and

- *To comply with REIT qualification rules*: The merger will facilitate our compliance with REIT tax rules by merging American Tower with and into American Tower REIT, the latter of which will adopt and maintain charter documents that implement share ownership and transfer restrictions that are required to comply with such REIT tax rules.

The American Tower board of directors weighed the advantages against the disadvantages and potential risks of the REIT conversion including, but not limited to, that as a REIT we will be unable to retain earnings as we will be required each year to distribute to our stockholders at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and by excluding any net capital gain) and that we will need to comply with highly technical REIT qualification provisions, which may hinder our ability to make certain attractive investments, including investments in the businesses to be conducted by our TRSs. In addition, the American Tower board of directors considered the potential risks discussed in Risk Factors Risks Related to the REIT Conversion and the Merger.

The foregoing discussion does not include all of the information and factors considered by the board of directors. The board of directors did not quantify or otherwise assign relative weights to the particular factors considered, but conducted an overall analysis of the information presented to and considered by it in reaching its determination.

TERMS OF THE MERGER

The following is a summary of the material terms of the merger agreement. For a complete description of all of the terms of the merger, you should refer to the copy of the merger agreement that is attached to this proxy statement/prospectus as Annex A and incorporated herein by reference. You should read carefully the merger agreement in its entirety as it is the legal document that governs the merger.

Structure and Completion of the Merger

American Tower REIT is currently a wholly owned subsidiary of American Tower. The merger agreement provides that American Tower will merge with and into American Tower REIT, at which time the separate corporate existence of American Tower will cease and American Tower REIT will be the surviving entity of the merger. Upon the effectiveness of the merger, the outstanding shares of Class A common stock of American Tower will be converted into the right to receive the same number of shares of American Tower REIT common stock, and American Tower REIT will change its name to American Tower Corporation and will succeed to and continue to operate the existing business of American Tower.

The board of directors of American Tower and the board of directors of American Tower REIT have approved the merger agreement, subject to stockholder approval. The merger will become effective at the time the certificate of merger is submitted for filing and accepted by the Secretary of State of the State of Delaware in accordance with Delaware Corporate Law or at such later time as specified in the certificate of merger. We anticipate that the merger will be completed on or about January 1, 2012 or as soon as possible thereafter, following the approval of our stockholders to adopt the merger agreement at the special meeting and the satisfaction or waiver of the other conditions to the merger as described in the section entitled Conditions to Completion of the Merger. However, the board of directors of American Tower reserves the right to cancel or defer the merger even if its stockholders vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if it determines that the merger is no longer in the best interests of American Tower and its stockholders.

Exchange of Stock Certificates

Surrender of Certificates. The Bank of New York Mellon will act as exchange agent for the merger. As soon as reasonably practicable after the completion of the merger, The Bank of New York Mellon will mail to each registered holder of a certificate of Class A common stock a letter of transmittal containing instructions for surrendering each holder s certificate. Holders who properly submit a letter of transmittal and surrender their certificates to the exchange agent will receive a certificate representing shares of American Tower REIT common stock equal to that number of shares reflected in the surrendered certificate. The surrendered certificates will thereafter be cancelled. Upon the effectiveness of the merger, each certificate representing shares of Class A common stock will be deemed for all purposes to evidence a right to receive the same number of shares of American Tower REIT common stock until such certificate is exchanged for a certificate representing an equal number of shares of American Tower REIT common stock. If you currently hold shares of Class A common stock in uncertificated form, you will receive a notice of the completion of the merger and your shares of American Tower REIT common stock received in connection with the merger will continue to exist in uncertificated form.

Lost Certificates. If any American Tower certificate is lost, stolen or destroyed, the owner of the certificate must provide an appropriate affidavit of that fact to the exchange agent and, if required by American Tower REIT, post a reasonable bond as indemnity against any claim that may be made against American Tower REIT with respect to such lost certificate.

Stock Transfer Books. At the completion of the merger, American Tower will close its stock transfer books, and no subsequent transfers of Class A common stock will be recorded on such books.

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Other Effects of the Merger

We expect the following to occur in connection with the merger:

Charter Documents of American Tower REIT. The certificate of incorporation and By-Laws of American Tower REIT will be amended in connection with the merger. Copies of the form of the American Tower REIT Charter and American Tower REIT By-Laws are set forth in Annex B-1 and Annex B-2, respectively, of this proxy statement/prospectus. See also the section entitled Description of American Tower REIT Capital Stock.

Directors and Officers. The directors and officers of American Tower serving as directors and officers of American Tower immediately prior to the effective time of the merger will be the directors and officers of American Tower REIT immediately after the merger.

Stock Incentive Plans and Employee Stock Purchase Plan. American Tower REIT will assume the American Tower Corporation 2007 Equity Incentive Plan, the American Tower Systems Corporation 1997 Stock Option Plan, as amended, the American Tower Corporation 2000 Employee Stock Purchase Plan, as amended and restated, and any equity compensation plans which American Tower assumed in connection with various merger and acquisition transactions, including but not limited to the SpectraSite, Inc. 2003 Equity Incentive Plan, which we refer to collectively as the Plans, and each, a Plan, and all rights of participants to acquire shares of Class A common stock under any Plan will be converted into rights to acquire shares of American Tower REIT common stock in accordance with the terms of the Plans.

Distributions. American Tower s obligations with respect to any distributions to the stockholders of American Tower that have been declared by American Tower but not paid prior to the completion of the merger will be assumed by American Tower REIT.

Listing of American Tower REIT common stock. We expect that the American Tower REIT common stock will trade on the NYSE under our current symbol AMT following the completion of the merger.

Conditions to Completion of the Merger

The board of directors of American Tower has the right to cancel or defer the merger even if stockholders of American Tower vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if it determines that the merger is no longer in the best interests of American Tower and its stockholders. The respective obligations of American Tower and American Tower REIT to complete the merger require the satisfaction or, where permitted, waiver, of the following conditions:

adoption of the merger agreement by the requisite vote of the stockholders of American Tower and American Tower REIT;

determination by the board of directors of American Tower that the transactions constituting the REIT conversion that have an impact on American Tower s qualification as a REIT for federal income tax purposes have occurred or are reasonably likely to occur;

receipt by American Tower from its tax counsel of an opinion to the effect that the merger qualifies as a reorganization within the meaning of Section 368(a)(1)(F) of the Code and that each of American Tower and American Tower REIT is a party to a reorganization within the meaning of Section 368(b) of the Code;

American Tower REIT will have amended and restated its certificate of incorporation to read in substantially the form attached hereto as Annex B-1;

American Tower REIT will have amended its By-Laws to read substantially in the form attached hereto as Annex B-2;

approval for listing on the NYSE of American Tower REIT common stock, subject to official notice of issuance;

the effectiveness of the Registration Statement, of which this proxy statement/prospectus is a part, without the issuance of a stop order or initiation of any proceeding seeking a stop order by the SEC;

the determination by the board of directors of American Tower, in its sole discretion, that no legislation or proposed legislation with a reasonable possibility of being enacted would have the effect of substantially (a) impairing the ability of American Tower REIT to qualify as a REIT, (b) increasing the federal tax liabilities of American Tower or of American Tower REIT resulting from the REIT conversion or (c) reducing the expected benefits to American Tower REIT resulting from the REIT conversion; and

receipt of all governmental approvals and third-party consents to the merger, except for consents as would not reasonably be expected to materially and adversely affect the business, financial condition or results of operations of American Tower REIT.

Termination of the Merger Agreement

The merger agreement provides that it may be terminated and the merger abandoned at any time prior to its completion, before or after approval of the merger agreement by the stockholders of American Tower, by either:

the mutual written consent of the board of directors of American Tower and the board of directors of American Tower REIT; or

the board of directors of American Tower in its sole discretion.

We have no current intention of abandoning the merger subsequent to the special meeting if stockholder approval is obtained and the other conditions to the merger are satisfied or waived. However, the board of directors of American Tower reserves the right to cancel or defer the merger or the REIT conversion even if stockholders of American Tower vote to adopt the merger agreement, which is an important element of the REIT conversion, and the other conditions to the completion of the merger are satisfied or waived, if it determines that the merger or the REIT conversion is no longer in the best interests of American Tower and its stockholders.

Regulatory Approvals

We are not aware of any federal, state, local or foreign regulatory requirements that must be complied with or approvals that must be obtained prior to completion of the merger pursuant to the merger agreement, other than compliance with applicable federal and state securities laws, the filing of a certificate of merger as required under Delaware Corporate Law and various state governmental authorizations.

Absence of Dissenters Rights

Pursuant to Section 262(b)(1) of Delaware Corporate Law, the stockholders of American Tower will not be entitled to dissenters rights of appraisal as a result of the merger.

Restrictions on Sales of American Tower REIT Common Stock Issued Pursuant to the Merger

The shares of American Tower REIT common stock to be issued in connection with the merger will, subject to the restrictions on the transfer and ownership of American Tower REIT common stock set forth in the American Tower REIT Charter, be freely transferable under the Securities Act, except for shares issued to any stockholder who may be deemed to be an affiliate of American Tower for purposes of Rule 144 under the Securities Act. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or under the common control with, American Tower and may include the executive officers, directors and significant stockholders of American Tower.

Accounting Treatment of the Merger

For accounting purposes, the merger of American Tower with and into American Tower REIT will be treated as a transfer of assets and exchange of shares between entities under common control. The accounting basis used to initially record the assets and liabilities in American Tower REIT is the carryover basis of American Tower. Stockholder s equity of American Tower REIT will be that carried over from American Tower, after giving effect to the special E&P distribution.

OTHER REORGANIZATION TRANSACTIONS;

QUALIFICATION OR FORMATION OF THE REIT SUBSIDIARIES

We will effect certain structural changes prior to or promptly after the proposed merger. These reorganization transactions are intended to enable us to qualify as a REIT for federal income tax purposes and to improve our tax efficiency. American Tower has already commenced these reorganization transactions and will continue to pursue them to completion.

The principal reorganization transactions are the qualification or formation of qualified REIT subsidiaries, or QRSs, and taxable REIT subsidiaries, or TRSs. A QRS is a wholly owned, domestic or foreign corporate subsidiary of a REIT that is not treated as a separate corporation from the REIT for federal income tax purposes. The assets, liabilities and items of income, deduction and credit of a QRS are treated as the REIT s for federal income tax purposes. In contrast, a TRS is a domestic or foreign corporate subsidiary that is taxed separately from a REIT, and thus pays corporate tax at regular rates on its taxable income.

REITs are generally intended to engage almost exclusively in rental and passive activities permitted by the Code, which for us generally include owning, leasing and operating wireless and broadcast communications towers. Accordingly, we will, as appropriate, form QRSs or cause existing subsidiaries to become QRSs, and these QRSs will hold or acquire our domestic communications sites including wireless and broadcast communications towers. In contrast, our network development services segment, DAS networks business, and other non-REIT activities, will be conducted through one or more TRSs because those activities are expected to generate non-qualifying REIT income as currently structured and operated. Additionally, for the foreseeable future, we have chosen to include in TRSs our tower operations in international markets, because these assets and operations will continue to be subject to taxation in the applicable foreign jurisdictions, and not benefit from the income tax treatment available to our domestic REIT operations. As appropriate, we will form TRSs or elect TRS status for existing subsidiaries in order to hold or acquire assets and operations that we believe are best suited for TRSs.

Net income from our TRSs will either be retained by our TRSs and used to fund their operations, or will be distributed to us, where it will either be reinvested by us into our business or contribute to income available for distribution to our stockholders. To the extent a TRS distribution to us constitutes taxable income, it will increase our REIT taxable income and associated REIT distribution requirements. In the future, we may elect to convert a portion of our international operations from our TRSs to other subsidiaries. These conversions would be effected to assist us in meeting various REIT qualification tests, but would not reduce our tax liabilities to applicable foreign jurisdictions. As part of any such conversion, we would generally be required to distribute to our stockholders as additional dividend income, by the end of our taxable year in which the liquidation occurs, the accumulated earnings of the liquidated foreign TRS.

DIVIDEND AND DISTRIBUTION POLICY

If our stockholders approve the merger, which we believe is an important element of the REIT conversion, we intend to declare regular quarterly distributions to holders of American Tower REIT common stock commencing in the first quarter of 2012, the amount of which will be determined, and is subject to adjustment by, the board of directors. To qualify as a REIT, we must distribute to our stockholders an amount at least equal to 90% of our REIT taxable income (determined before the deduction for dividends paid and excluding any net capital gain). Generally, we expect to distribute all or substantially all of our REIT taxable income so as to not be subject to the income or excise tax on undistributed REIT taxable income. We expect, that for the foreseeable future, we may utilize available NOLs to reduce our REIT taxable income, and thus we may not be required to distribute material amounts of cash to qualify for taxation as a REIT. See the section entitled Material Federal Income Tax Consequences.

We expect that distributions will be declared quarterly. The amount, timing and frequency of distributions, however, will be at the sole discretion of the board of directors and will be declared based upon various factors, many of which are beyond our control, including:

- our financial condition and operating cash flows;
- our retention of cash to pursue acquisitions of communications sites;
- our operating and other expenses;
- debt service requirements;
- capital expenditure requirements;
- our stock repurchase program;
- the amount required to maintain REIT status and reduce any income and excise taxes that we otherwise would be required to pay;
- limitations on distributions in our existing and future debt instruments;
- our ability to utilize NOLs to offset our distribution requirements;
- limitations on our ability to fund distributions using cash generated through our TRSs; and
- other factors that the board of directors may deem relevant.

We anticipate that distributions will generally be paid from cash from operations after debt service requirements and non-discretionary capital expenditures. To the extent that our cash available for distribution is insufficient to allow us to satisfy the REIT distribution requirements, we currently intend to borrow funds to make distributions consistent with this policy. Our ability to fund distributions through borrowings is subject to continued compliance with debt covenants, as well as the availability of borrowing capacity under our lending arrangements. If our operations do not generate sufficient cash flows and we are unable to borrow, we may be required to reduce our anticipated quarterly distributions. Our distribution policy enables us to review the alternative funding sources available to us for distributions from time to time. For information

regarding risk factors that could materially adversely affect our actual results of operations, please see the section entitled Risk Factors.

THE SPECIAL E&P DISTRIBUTION

American Tower has historically been treated as a taxable C corporation for federal income tax purposes. As a C corporation, any taxable income in any given taxable year not distributed to our stockholders or otherwise reduced by offsetting losses in later taxable years resulted in accumulated earnings and profits for federal income tax purposes. A REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a C corporation. For us to elect REIT status for the taxable year beginning January 1, 2012, we must distribute to our stockholders on or before December 31, 2012 our previously undistributed earnings and profits attributable to the taxable period ending prior to January 1, 2012. Therefore, for purposes of qualifying as a REIT, we plan to distribute these pre-REIT accumulated earnings and profits, if any, by paying a one-time special distribution to stockholders, which we refer to as the special E&P distribution.

We expect that the special E&P distribution will be declared and paid in the fourth quarter of 2011. However, the board of directors may determine to pay a special E&P distribution at another time, but not later than December 31, 2012, if we elect REIT status for the taxable year beginning January 1, 2012. We currently estimate that, if we elect REIT status as of January 1, 2012, the aggregate amount of the special E&P distribution will be no more than $200 million, and we expect to pay it solely with cash on hand. If we do not have any pre-REIT accumulated earnings and profits, we will not make a special E&P distribution. We have projected our pre-REIT accumulated earnings and profits as of the end of December 31, 2011 using our historic tax returns through December 31, 2009 and other available information. Our projected 2011 taxable income is based on our current business plans and performance but will vary depending on, among other items, the timing of certain transactions. In addition, our projected pre-REIT accumulated earnings and profits may vary based on the actual tax return filed for 2011. The special E&P distribution may be adjusted by any amount that the board of directors may determine is appropriate to protect American Tower REIT s ability to qualify as a REIT, which may result in a distribution amount in excess of our pre-REIT accumulated earnings and profits. Although we expect the special E&P distribution to suffice for purposes of distributing to stockholders our pre-REIT accumulated earnings and profits, an additional distribution may be required prior to the last day of our first taxable year as a REIT if the special E&P distribution is insufficient. See the sections entitled Risk Factors Risks Related to the REIT Conversion and the Merger and Material Federal Income Tax Consequences Our C Corporation History.

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OUR BUSINESS

Set forth below is a description of the business of American Tower. American Tower REIT, Inc., a wholly owned subsidiary of American Tower, was incorporated in Delaware on May 17, 2011 to succeed to and continue the business of American Tower, which is described below, upon completion of the merger of American Tower with and into American Tower REIT. Effective at the time of the merger, American Tower REIT will be renamed American Tower Corporation and will continue the leasing of antenna space on multi-tenant communications sites to wireless service providers and radio and television broadcast companies currently conducted by American Tower.

Overview

American Tower was created as a subsidiary of American Radio Systems Corporation in 1995 and was spun off into a free-standing public company in 1998. Since inception, we have grown our communications site portfolio through acquisitions, long-term lease arrangements, development and construction of sites, and through mergers with and acquisitions of other tower operators.

American Tower is a holding company, and we conduct our operations through our directly and indirectly owned subsidiaries. Our principal domestic operating subsidiaries are ATI and SpectraSite. We conduct our international operations through our subsidiary, American Tower International, Inc., which in turn conducts operations through its various international operating subsidiaries. As of December 31, 2010, our international operations consist primarily of our operations in Brazil, Chile, Colombia, India, Mexico and Peru. In the first half of 2011, we also commenced operations in Ghana and South Africa.

We are a leading wireless and broadcast communications infrastructure company that owns, operates and develops communications sites. Our primary business is leasing antenna space on multi-tenant communications sites to wireless service providers and radio and television broadcast companies. We refer to this business as our rental and management operations, which accounted for approximately 98% of our total revenues for the year ended December 31, 2010. We also offer tower-related services domestically, including site acquisition, zoning and permitting services and structural analysis services, which primarily support our site leasing business and the addition of new tenants and equipment on our sites.

Our communications site portfolio includes wireless communications towers, broadcast communications towers and DAS networks, which are collocation solutions to support seamless in-building and outdoor wireless coverage. Our portfolio consists of towers that we own and towers that we operate pursuant to long-term lease arrangements, including, as of June 30, 2011, 21,118 towers domestically and 16,667 towers internationally. Our portfolio also includes 263 in-building and outdoor DAS networks that we operate in malls, casinos and other in-building applications, and select outdoor environments. In addition to the communications sites in our portfolio, we manage rooftop and tower sites for property owners.

Products and Services

Rental and Management Operations

Our rental and management operations accounted for approximately 98%, 97% and 97% of our total revenues for the years ended December 31, 2010, 2009 and 2008, respectively. Our tenants lease space on our communications site infrastructure, where they install and maintain their individual communications network equipment. Our revenue is primarily generated from tenant leases, and the annual rental payments vary considerably depending upon various factors, including but not limited to, tower location, amount of tenant equipment on the tower, ground space required by the tenant and remaining tower capacity. Our tenant leases are typically non-cancellable and have annual rent escalations. Our primary costs typically include ground rent, property taxes and repairs and maintenance, which are primarily fixed, with annual cost escalations. In our

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international markets, a portion of our operating costs is passed through to our tenants, such as ground rent and fuel costs. Our rental and management operations have generated consistent incremental growth in revenue and have low cash flow volatility due to the following characteristics:

Consistent demand for our sites. We have the ability to add new tenants and new equipment for existing tenants on our sites. Our legacy site portfolio and our established tenant base provide us with a diverse source of new business opportunities, which has historically resulted in consistent and predictable organic revenue growth.

Long-term tenant leases with contractual rent escalations. In general, a tenant lease has an initial non-cancellable term of five to ten years with multiple five-year renewal terms thereafter, and lease payments that typically increase 3% to 5% per year. As a result, as of December 31, 2010, we had approximately $13.5 billion of non-cancellable tenant lease revenue, absent the impact of straight-line lease accounting.

High lease renewal rates. Our tenants tend to renew leases because suitable alternative sites may not exist or be available and repositioning a site in their network may be expensive and may adversely affect the quality of their network. Historical churn has been approximately 2% of total rental and management revenue per year. We define churn as revenue lost when a customer cancels or does not renew its lease, and in very limited circumstances, such as a customer bankruptcy, reductions in lease rates on existing leases. We derive our historical churn rate by dividing our revenue lost on this basis by our rental and management segment revenue, for a given year.

High operating leverage. Incremental operating costs associated with adding new tenants to an existing communications site are minimal. Therefore, as additional tenants are added, the substantial majority of incremental revenue flows through to operating profit.

Low maintenance capital expenditures. On average, we require low amounts of annual capital expenditures to maintain our communications sites.

Our domestic rental and management segment is comprised of our nationwide network of communications sites that enable us to address the needs of national, regional, local and emerging communications service providers. Our domestic rental and management segment accounted for approximately 79%, 82% and 83% of our total revenues for the years ended December 31, 2010, 2009 and 2008, respectively.

Our international rental and management segment, which was comprised primarily of communications sites in Brazil, Chile, Colombia, India, Mexico and Peru as of December 31, 2010, provides a source of diversification and growth. Our international rental and management segment accounted for approximately 19%, 15% and 14% of our total revenues for the years ended December 31, 2010, 2009 and 2008, respectively.

Our rental and management operations include the operation of wireless communications towers, broadcast communications towers and DAS networks, as well as rooftop management.

The following table details the number of communications sites we own in the countries in which we operate as of June 30, 2011.

Country	Numbers of Owned Sites
United States	21,358
International:	
Brazil	2,407
Chile	424
Colombia	1,139
Ghana	400

India	8,015
Mexico	2,871
Peru	475
South Africa	959

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Wireless Communications Towers. As of December 31, 2010, we owned and operated wireless communications towers in the United States, Brazil, Chile, Colombia, India, Mexico and Peru. Approximately 93%, 94% and 92% of revenue in our rental and management segments was attributable to our wireless towers for the years ended December 31, 2010, 2009 and 2008, respectively.

We lease space on our wireless communications towers to tenants in a diverse range of wireless services, including personal communications services, cellular, enhanced specialized mobile radio, WiMAX, paging and fixed microwave. Our four largest domestic and international tenants by revenue are as follows:

Domestic: AT&T Mobility, Sprint Nextel, Verizon Wireless and T-Mobile USA together accounted for approximately 74% of domestic rental and management segment revenue for the year ended December 31, 2010;

International: Iusacell (Mexico), Idea Cellular (India), Nextel International (primarily through its operating subsidiaries in Brazil and Mexico) and Telefonica (through its various operating subsidiaries in Brazil, Chile, Colombia, Mexico and Peru) together accounted for approximately 58% of international rental and management segment revenue for the year ended December 31, 2010.

Accordingly, we are subject to certain risks, as set forth in this proxy statement/prospectus in the sections entitled Risk Factors Due to the long-term expectations of revenue growth from tenant leases, we are sensitive to changes in the creditworthiness and financial strength of our tenants and A substantial portion of our revenue is derived from a small number of customers. In addition, we are subject to risks related to our international operations, as set forth under the caption Risk Factors Our foreign operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates.

Broadcast Communications Towers, DAS Networks and Rooftop Management. In addition to our wireless communications towers, we also own and operate broadcast towers and DAS networks, and provide communications site management services to third parties.

Broadcast Communications Towers. We are one of the largest independent owners and operators of broadcast towers in the United States and Mexico. We own approximately 200 broadcast towers in the United States and have exclusive rights to approximately 200 broadcast towers in Mexico. Broadcast towers generally are taller and structurally more complex than typical wireless communications towers, require unique engineering skills and are more costly to build. We lease space on our broadcast towers to a variety of tenants including wireless service providers, but the higher elevations on these towers are primarily leased to radio and television broadcast companies.

DAS Networks. We own and operate approximately 200 DAS networks in malls, casinos and other in-building applications in the United States, Mexico and Brazil. We obtain rights from property owners to install and operate in-building DAS networks, and we grant rights to wireless service providers to attach their equipment to our installations. We also offer outdoor DAS networks as a complementary shared infrastructure solution for our tenants, and currently operate such networks in the United States. Typically, we design, build and operate our DAS networks in areas in which zoning restrictions or other barriers may prevent or delay deployment of more traditional wireless infrastructures.

Rooftop Management. We provide management services to property owners in the United States who own rooftops that are capable of hosting wireless communications equipment. We obtain rights to manage a rooftop by entering into contracts with property owners pursuant to which we receive a percentage of occupancy or license fees paid by the wireless carriers and other tenants.

Network Development Services

Through our network development services segment, we offer tower-related services domestically, including site acquisition, zoning and permitting services and structural analysis services, which primarily

support our site leasing business and the addition of new tenants and equipment on our sites. This segment accounted for approximately 2%, 3% and 3% of our total revenues for the years ended December 31, 2010, 2009 and 2008, respectively.

Site Acquisition, Zoning and Permitting. We engage in site acquisition services on our own behalf in connection with our tower development projects, as well as on behalf of our tenants. We typically work with our tenants engineers to determine the geographic areas where new tower sites will best address the tenants needs and meet their coverage objectives. Once a new site is identified, we acquire the rights to the land or structure on which the site will be constructed, and we manage the permitting process to ensure all necessary approvals are obtained to construct and operate the communications site under applicable law.

Structural Analysis. We offer structural analysis services to wireless carriers in connection with the installation of their communications equipment on our towers. Our team of engineers can evaluate whether a tower can support the additional burden of the new equipment or if an upgrade is needed, which enables our tenants to better assess potential sites before making an installation decision. Our structural analysis capabilities enable us to provide higher quality service to our existing tenants by, among other things, reducing cycle times, as well as provide opportunities to offer structural analysis services to third parties.

Regulatory Matters

Towers and Antennas. Our domestic and international tower operations are subject to national, state and local regulatory requirements with respect to the registration, siting, lighting, marking and maintenance of our towers. In the United States, which accounted for approximately 81% of our total rental and management revenue for the year ended December 31, 2010, depending on factors such as tower height and proximity to public airfields, the construction of new towers or modifications to existing towers may require pre-approval by the Federal Communications Commission, or FCC, and the Federal Aviation Administration, or FAA. Towers requiring pre-approval must be registered with the FCC and painted, lighted and maintained in accordance with FAA standards. Similar requirements regarding pre-approval of the construction and modification of towers are imposed by regulators in other countries, such as the Ministry of Civil Aviation in India and the Ministry of Transportation and Telecommunications in Chile. Non-compliance with applicable tower-related requirements may lead to monetary penalties.

Furthermore, in India, each of our subsidiaries holds an Infrastructure Provider Category-I license, or IP-I, issued by the Indian Ministry of Communications and Information Technology, which permits us to provide tower space to companies licensed as telecommunications service providers under the Indian Telegraph Act of 1885. While we are required to provide tower space on a non-discriminatory basis, we may negotiate mutually agreeable terms and conditions with such service providers. As a condition to the IP-I, the Indian government has the right to take over our infrastructure in the case of emergency or war.

In all countries where we operate, we are subject to zoning restrictions and restrictive covenants imposed by local authorities or community developers. These regulations vary greatly, but typically require tower owners and/or our tenants to obtain approval from local authorities or community standards organizations prior to tower construction or the addition of a new antenna to an existing tower. Local zoning authorities and community residents often oppose construction in their communities, which can delay or prevent new tower construction, new antenna installation or site upgrade projects, thereby limiting our ability to respond to customer demand. In addition, zoning regulations can increase costs associated with new tower construction and the addition of new antennas to a site. Existing regulatory policies may adversely affect the associated timing or cost of such projects and additional regulations may be adopted that cause delays or result in additional costs to us. These factors could materially and adversely affect our construction activities and operations. In the United States, the Telecommunications Act of 1996 limits state and local zoning authorities by prohibiting any action that would discriminate between different providers of wireless services or ban altogether the construction, modification or placement of communications towers. It also prohibits state or local restrictions based on the environmental effects of radio frequency emissions to the extent the facilities comply with FCC regulations.

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In addition, our tenants, both domestic and international, may be subject to new regulatory policies from time to time that may materially and adversely affect the demand for communications sites.

Environmental Matters. Our domestic and international operations, like those of other companies engaged in similar businesses, are subject to various national, state and local environmental laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials, and wastes, and the siting of our towers. As an owner, lessee and/or operator of real property and facilities, we may have liability under environmental laws for the costs of investigation, removal or remediation of soil and groundwater contaminated by hazardous substances or waste. Certain of these laws impose cleanup responsibility and liability without regard to whether we, as the owner, lessee or operator, knew of, or were responsible for, the contamination, and whether or not we have discontinued operations or sold the property. We may also be subject to common law claims by third parties based on damages and costs resulting from off-site migration of contamination. We, and our customers, may be required to obtain permits, pay additional property taxes, comply with regulatory requirements, and make certain informational filings related to hazardous substances and devices used to provide power such as batteries, generators and fuel at our sites. Violations of these types of regulations could subject us to fines or criminal sanctions.

Additionally, in the United States, before constructing a new tower or adding a new antenna to an existing site, we must review and evaluate the impact of the action to determine whether it may significantly affect the environment and we must disclose any significant impacts in an environmental assessment. If a tower or new antenna might have a material adverse impact on the environment, FCC approval of the tower or antenna could be significantly delayed.

Health and Safety. In the United States and in other countries where we operate, we are subject to various national, state and local laws regarding employee health and safety, including protection from radio frequency exposure.

Competition and Customer Demand

Rental and Management Segments

Our rental and management segments compete with other international, national and regional tower companies, primarily Crown Castle International Corp. and SBA Communications Corporation in the United States and Indus Towers in India, as well as wireless carriers and broadcasters that own and operate their own communications site networks and lease space to third parties, numerous independent tower owners and the owners of non-communications sites, including rooftops, utility towers, water towers and other alternative structures. We believe that site location and capacity, network density, price and quality of service have been and will continue to be significant competitive factors affecting owners, operators and managers of communications sites.

Customer demand is also affected by the emergence and growth of new technologies. Technologies that make it possible for wireless carriers to increase the capacity and efficiency of their existing networks could reduce customer demand for our communications sites. The increased use of spectrally efficient air access technologies, which potentially can relieve some network capacity problems, could reduce the demand for tower-based antenna space. Additionally, certain complementary network technologies, such as femtocells, could offload a portion of network traffic away from the traditional tower-based networks, which could reduce the need for carriers to add more equipment at certain communications sites.

In addition, any increase in the use of network sharing, roaming or resale arrangements by wireless service providers also could adversely affect customer demand for leasing tower space. These arrangements, which are essentially extensions of traditional roaming agreements, enable a provider to adequately serve its tenants outside its license area, to give licensed providers the right to enter into arrangements to serve overlapping license areas, and to permit non-licensed providers to enter the wireless marketplace. Consolidation among wireless carriers could similarly impact customer demand for our communications sites, because the existing networks of wireless carriers often overlap. In addition, if wireless carriers share their sites or swap their sites with other carriers to a significant degree, it could reduce demand for our communications sites.

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Network Development Services Segment

Our network development services segment competes with a variety of companies offering individual, or combinations of, competing services. The field of competitors includes site acquisition consultants, zoning consultants, real estate firms, right-of-way consulting firms, structural engineering firms, tower owners/managers, telecommunications equipment vendors who can provide turnkey site development services through multiple subcontractors and our customers internal staffs. We believe that our customers base their decisions for network development services on various criteria, including a company s experience, local reputation, price and time for completion of a project.

We believe that we compete favorably as to the key competitive factors relating to our domestic and international rental and management and network development services segments.

Legal Proceedings

Following completion of the merger, American Tower REIT will assume all liability arising under legal proceedings filed against American Tower.

One of our subsidiaries, SpectraSite Communications, Inc., or SCI, is involved in a lawsuit brought in Mexico against a former Mexican subsidiary of SCI (the subsidiary of SCI was sold in 2002, prior to our merger with SCI s parent in 2005). The lawsuit concerns a terminated tower construction contract and related agreements with a wireless carrier in Mexico. The primary issue for us is whether SCI itself can be found liable to the Mexican carrier. The trial and lower appellate courts initially found that SCI had no such liability in part because Mexican courts do not have the necessary jurisdiction over SCI. In September 2010, following several decisions by Mexican appellate courts, including the Supreme Court of Mexico, and related appeals by both parties, an intermediate appellate court issued a new decision that would, if enforceable, reimpose liability on SCI. In its decision, the intermediate appellate court identified potential damages of approximately $6.7 million, and on October 14, 2010, we filed a new constitutional appeal to again dispute the decision. As a result, at this stage of the proceeding, we are unable to determine whether the liability imposed on SCI by the September 2010 decision will survive or to estimate our share, if any, of that potential liability if the decision survives the pending appeal.

On June 3, 2010, Horse-Shoe Capital, or Horse-Shoe, a company formed under the laws of the Republic of Mauritius, filed a complaint in the Supreme Court of the State of New York, New York County, with respect to Horse-Shoe s sale of XCEL Telecom Private Limited, or XCEL, to American Tower Mauritius, or AT Mauritius, our wholly owned subsidiary formed under the laws of the Republic of Mauritius. The complaint names AT Mauritius, ATI and us as defendants, and the dispute concerns the timing and amount of distributions to be made by AT Mauritius to Horse-Shoe from a $7.5 million holdback escrow account and a $15.7 million tax escrow account, each established by the transaction agreements at the closing of the transaction. The complaint seeks release of the entire holdback escrow account, plus an additional $2.8 million, as well as the release of approximately $12.0 million of the tax escrow account. The complaint also seeks punitive damages in excess of $69.0 million. We filed an answer to the complaint in August 2010, disputing both the amounts alleged to be owed under the escrow agreements as well as the timing of the escrow distributions. We also asserted in our answer that the demand for punitive damages is meritless. The parties filed cross-motions for summary judgment concerning the release of the tax escrow account and in January 2011, the court granted our motion for summary judgment, finding no obligation for us to release the disputed portion of the tax escrow until 2013. Other claims remain pending. In March 2011, Horse-Shoe filed a motion for summary judgment seeking disbursement of $5.3 million of the holdback escrow account that it claims is undisputed. The court denied Horse-Shoe s motion in May 2011. We are vigorously defending the lawsuit.

On June 2, 2011, we received a subpoena from the SEC requesting certain documents from 2007 through the present, including in particular documents related to our tax accounting and reporting. While we believe this investigation may in part relate to a former employee s complaints received in the past, which we previously investigated with the assistance of outside counsel and a forensic accounting firm, finding no material issues, we

cannot at this time predict the scope or the outcome of this investigation. We understand that our independent registered public accounting firm and one of our consultants have also received subpoenas related to our tax accounting and reporting during this period and our investigation into these complaints. We are cooperating and intend to continue to cooperate fully with the SEC with respect to its investigation.

We periodically become involved in various claims and lawsuits that are incidental to our business. In the opinion of management, after consultation with counsel, other than the legal proceedings discussed above and in note 10 to our condensed consolidated financial statements included in American Tower s Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, there are no matters currently pending that would, in the event of an adverse outcome, have a material impact on our consolidated financial position, results of operations or liquidity.

Employees

As of December 31, 2010, we employed 1,729 full-time individuals and consider our employee relations to be satisfactory.

Properties

As of December 31, 2010, our principal offices are located in Boston, Southborough and Woburn, Massachusetts; Atlanta, Georgia; Cary, North Carolina; Mexico City, Mexico; Sao Paulo, Brazil; Delhi and Mumbai, India; Lima, Peru; and Bogota, Colombia. Details of each of these offices are provided below:

Country	Function	Size (square feet)	Property Interest
Boston, MA	Corporate Headquarters and American Tower International Headquarters	30,000	Leased
Southborough, MA	Information Technology Data Center	24,300	Leased
Woburn, MA	US Tower Division Headquarters, Lease Administration, Site Leasing Management and Broadcast Division Headquarters	64,100	Owned(1)
Atlanta, GA	US Tower Division, Accounting Services, New Site Development and Site Operations Headquarters	21,400	Leased
Cary, NC	US Tower Division, DAS Solutions and Structural Engineering Services Headquarters	20,500	Leased
Mexico City, Mexico	Mexico Headquarters	11,300	Leased
Sao Paulo, Brazil	Brazil Headquarters	8,800	Leased(2)
Delhi, India	India Headquarters	7,200	Leased
Mumbai, India	India Operations Center	16,900	Leased(3)
Lima, Peru	Peru Headquarters	2,400	Leased
Bogota, Colombia	Colombia Headquarters	4,000	Leased

(1) Our Woburn facility is approximately 163,000 square feet. Currently, our offices occupy approximately 64,100 square feet. An additional 27,500 square feet is being renovated for our use and we plan to occupy this space in 2011. We lease the remaining space to unaffiliated tenants.
(2) We lease two office spaces in Sao Paulo that together occupy an aggregate of approximately 8,800 square feet.
(3) We lease two office spaces in Mumbai that together occupy an aggregate of approximately 16,900 square feet.

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In addition to the principal offices set forth above, we maintain offices in the geographic areas we serve through which we operate our tower leasing and services businesses, as well as maintain offices to pursue international business development initiatives. We believe that our owned and leased facilities are suitable and adequate to meet our anticipated needs.

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of our anticipated policies with respect to distributions, investments, financing, lending and certain other activities of American Tower REIT. Upon completion of the REIT conversion, these policies will be determined and periodically thereafter amended by the board of directors of American Tower REIT without notice to, or a vote of, the stockholders of American Tower REIT, except that changes in certain policies with respect to conflicts of interest must be consistent with legal and contractual requirements.

Dividend Policy

If the merger, which is an important element of the REIT conversion, is approved by our stockholders, we intend to pay regular quarterly distributions. For a discussion of our dividend and distribution policy, see the section entitled Dividend and Distribution Policy.

Investment Policy

Immediately following the REIT conversion, we will hold and operate substantially all of our domestic wireless and broadcast tower leasing business directly and indirectly through one or more QRSs, and we will hold our network development services segment and DAS networks business, as currently structured and operated, and international operations through one or more TRSs. Our investment objective is to seek the highest risk adjusted returns on invested capital for our stockholders by simultaneously increasing recurring free cash flow per share and our return on invested capital. To achieve this, we expect we would continue to deploy our capital through our annual capital expenditure program and acquisitions, and also continue our stock repurchase program, subject to available funds and market conditions.

Annual capital expenditure program. We will continue to reinvest in our existing assets and expand our existing communications site portfolio through our annual capital expenditure program. This includes capital expenditures associated with maintenance, increasing the capacity of our existing sites, and projects such as new site construction, land acquisitions, and shared generator installations. We believe we can achieve, on a risk adjusted basis, the highest incremental recurring free cash flow per share and returns on our invested capital through our annual capital expenditure program.

Acquisitions. We will seek to pursue acquisitions of communications sites. This includes acquisitions in our existing or new markets where we can meet our return on investment criteria. When evaluating international investments, our return on investment criteria reflects the additional risks inherent to the particular geographic area.

Stock repurchase program. If we have sufficient capital available to satisfy our REIT distribution requirements, and to fund our annual capital expenditures and other acquisition opportunities, we will seek to return additional capital to stockholders. We currently utilize a stock repurchase program to facilitate this return and, following the merger, we expect to continue to have such a program in place. See the section entitled Dividend and Distribution Policy.

We have been operating in Mexico and Brazil for over ten years, and in India for over three years. In 2010 and 2011, we significantly expanded our international operations with investments or agreements to acquire assets in Chile, Colombia, Ghana, Peru, and South Africa. For the six months ended June 30, 2011, our international operations accounted for approximately 25% of our total revenue. There are currently no limitations on (a) the percentage of our assets that may be invested in any one property, venture or type of security, (b) the number of properties in which we may invest, or (c) the concentration of investments in a single geographic region. The board of directors may establish limitations, and other policies, as it deems appropriate from time to time.

Financing Policy

Our financing policies will largely depend on the nature and timeline of our investment opportunities and the prevailing economic and market conditions. If the board of directors determines that additional funding is desirable, we may raise funds through the following means:

- debt financings, including but not limited to, accessing U.S. debt capital markets, drawing from our credit facilities and local country bank borrowings;
- equity offerings of securities;
- reducing or eliminating stock repurchase activity under our stock repurchase program; and
- any combination of the above methods.

We intend to retain the maximum possible cash flow to fund our investments, subject to provisions in the Code requiring distribution of REIT taxable income to maintain our REIT status, and to minimize our income and excise tax liabilities. Further, as of June 30, 2011, we had approximately $2,304.5 million of liquidity, which consisted of $332.5 million of cash and cash equivalents, $972.0 million of availability under our Revolving Credit Facility and up to $1,000.0 million under our Supplemental Credit Facility. We intend to utilize our cash on hand and availability under our Revolving Credit Facility, until it expires in June 2012, to fund future discretionary investments. In connection with the REIT conversion, we do not anticipate needing to refinance or repay any of our existing indebtedness.

We expect our primary source of external funding will continue to be the debt capital markets. We have issued senior unsecured notes and currently have an automatic shelf registration statement filed with the SEC to facilitate further issuances of debt.

We have also accessed the commercial mortgage backed securities market. In 2007, we issued $1.75 billion of Commercial Mortgage Pass-Through Certificates, or Certificates, supported by 5,288 of our domestic towers. The various classes of Certificates were issued with a weighted average interest rate of approximately 5.61%. The Certificates have an expected life of approximately seven years with a final repayment date in April 2037.

We do not have a formal policy limiting the amount of indebtedness that we may incur, although we are subject to certain restrictions in our indentures and loan agreements with regard to permitted indebtedness.

We have also borrowed funds in international markets to partially finance recent acquisitions. We entered into bank loans in Colombia in 2010 (139.1 billion Colombian Pesos, or approximately $78.5 million as of June 30, 2011), which was subsequently refinanced in July 2011 with a new 141.1 billion Colombian Peso-denominated short-term credit facility (approximately $80.2 million), and South Africa in 2011 (695.4 million South African Rand, or approximately $102.7 million as of June 30, 2011).

In connection with the establishment of our joint venture with MTN Group and the acquisition of 400 communications sites in Ghana, Ghana Tower Interco B.V., a 51% owned subsidiary of the Company, executed a U.S. Dollar-denominated shareholder loan agreement, or Ghana Loan, as the borrower, with a wholly owned subsidiary of the Company, or ATC Subsidiary, and Mobile Telephone Networks (Netherlands) B.V., a wholly owned subsidiary of MTN Group, or MTN Subsidiary, as the lenders. The portion of the Ghana Loan made by the ATC Subsidiary is eliminated in consolidation and the portion of the loan made by MTN Subsidiary is reported as outstanding debt of the Company. As of June 30, 2011, $30.2 million was payable to the MTN Subsidiary.

The board of directors may also authorize the obtaining of additional capital through the issuance of equity securities. Pursuant to the American Tower REIT Charter, we will have authority to issue up to one billion shares of American Tower REIT common stock and 20,000,000 shares of undesignated preferred stock. We may seek to offer equity securities as a source of discretionary investment funding when it is either (a) a requirement of a seller, (b) if the size of a strategic transaction would increase our leverage beyond what the board of directors or management believes to be appropriate, or (c) as otherwise determined appropriate by the board of directors.

In the future, we may seek to extend, expand, reduce or renew our credit facilities, obtain new credit facilities or lines of credit, or issue new unsecured or secured debt that may contain limitations on indebtedness.

We will consider a number of factors when evaluating our level of indebtedness and when making decisions regarding the incurrence of indebtedness, including overall prudence, the purchase price of assets to be acquired with debt financing, the estimated market value of our assets upon refinancing, our ability to generate cash flow to cover our expected debt service and restrictions under our existing debt arrangements. For additional information, see the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

Lending Policy

We expect we will continue to make loans to our operating subsidiaries to the extent to which they require additional financing to fund growth through their discretionary capital programs and acquisitions.

Reports to Stockholders

We make available to our stockholders our annual reports, including our audited financial statements. We are subject to the information reporting provisions of the Exchange Act, which require us to file annual and periodic reports, proxy statements and other information, including audited financial statements, with the SEC.

Other Activities

At all times, we intend to operate and to invest so as to comply with the Code requirements related to REIT qualification unless, due to changing circumstances or changes to the Code or in Treasury regulations, the board of directors determines that it is no longer in the best interests of American Tower REIT and its stockholders to qualify as a REIT.

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PRO FORMA FINANCIAL INFORMATION

The following tables present selected financial data from the unaudited pro forma consolidated statement of operations for the year ended December 31, 2010, from the condensed consolidated statement of operations for the six months ended June 30, 2011 and from the unaudited pro forma condensed consolidated balance sheet as of June 30, 2011 giving effect to the reorganization transactions and REIT conversion described in the section entitled Structure of the Transaction. The unaudited pro forma balance sheet is presented as if the REIT conversion had occurred on June 30, 2011. The unaudited pro forma statements of operations present the effects of the REIT conversion as though it had occurred on January 1, 2010, but calculated as it is expected to occur based on actual data as of June 30, 2011. The unaudited pro forma consolidated financial data are based on the estimates and assumptions set forth in the notes to such statements, which are preliminary and have been made solely for the purposes of developing such pro forma information. The unaudited pro forma consolidated financial data are not necessarily indicative of the financial position or operating results that would have been achieved had the REIT conversion been completed as of the dates indicated, nor are they necessarily indicative of future financial position or operating results. This information should be read in conjunction with the historical financial statements and related notes included in, or incorporated by reference into, this proxy statement/prospectus.

The unaudited pro forma condensed consolidated statement of operations and condensed consolidated balance sheet do not reflect the following:

- One-time transaction costs related to the REIT conversion, currently estimated to be $14 million; and
- The potential immaterial effect of lower cash balances these transactions have on interest income, higher borrowing costs or foregone investment opportunities.

In addition, the unaudited pro forma condensed consolidated balance sheet does not reflect any special E&P distribution, as we estimate that as of June 30, 2011, we do not have any accumulated E&P that we would be required to distribute. However, taking into consideration certain assumptions and projections, including expected full year 2011 operating results, we may be subject to the E&P distribution requirement, and currently estimate that, if we elect REIT status as of January 1, 2012, the aggregate amount of the special E&P distribution will be no more than $200 million, which would be paid solely with cash on hand. The amounts of quarterly distributions are also not reflected in the condensed consolidated balance sheet, as it is presented as if the REIT conversion had occurred on June 30, 2011.

To qualify as a REIT, at least 90% of taxable income, determined without regard to the dividends paid deduction and by excluding any net capital gain, is required to be distributed to stockholders. Upon making a REIT election, we anticipate that we may have NOLs that can be carried forward and utilized to potentially reduce the amount of future required distributions.

The pro forma financial results assume that 100% of taxable income has been distributed and that all relevant REIT qualifying tests, as dictated by the Code and IRS rules and interpretations, were met for the entire year.

For accounting purposes, the merger of American Tower with and into American Tower REIT will be treated as a transfer of assets and exchange of shares between entities under common control. The accounting basis used to initially record the assets and liabilities in American Tower REIT is the carryover basis of American Tower. Stockholder s equity of American Tower REIT will be that carried over from American Tower.

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AMERICAN TOWER CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

(in thousands, except per share data)

	Actual	Adjustments	Pro Forma
REVENUES:			
Rental and management	$ 1,936,373		$ 1,936,373
Network development services	48,962		48,962
Total operating revenues	1,985,335		1,985,335
OPERATING EXPENSES:			
Costs of operations (exclusive of items shown separately below)			
Rental and management	447,629		447,629
Network development services	26,957		26,957
Depreciation, amortization and accretion	460,726		460,726
Selling, general, administrative and development expense (including stock-based compensation expense of $52,555)	229,769		229,769
Other operating expenses	35,876		35,876
Total operating expenses	1,200,957		1,200,957
OPERATING INCOME	784,378		784,378
OTHER INCOME (EXPENSE):			
Interest income, TV Azteca, net of interest expense of $1,487	14,212		14,212
Interest income	5,024		5,024
Interest expense	(246,018)		(246,018)
Loss on retirement of long-term obligations	(1,886)		(1,886)
Other income	315		315
Total other expense	(228,353)		(228,353)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INCOME ON EQUITY METHOD INVESTMENTS	556,025		556,025
Income tax (provision) benefit	(182,489)	185,605(B)	3,116
Income on equity method investments	40		40
INCOME FROM CONTINUING OPERATIONS	$ 373,576	$ 185,605	$ 559,181
NET INCOME PER COMMON SHARE AMOUNTS:			
BASIC:			
Net income attributable to American Tower Corporation	$ 0.93		$ 1.39
DILUTED:			
Net income attributable to American Tower Corporation	$ 0.92		$ 1.38
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
BASIC	401,152		401,152

DILUTED	404,072	365(C)	404,437

See accompanying notes to unaudited pro forma consolidated financial statements.

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AMERICAN TOWER CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2011

(in thousands, except per share data)

	Actual	Adjustments	Pro Forma
REVENUES:			
Rental and management	$ 1,130,494		$ 1,130,494
Network development services	29,436		29,436
Total operating revenues	1,159,930		1,159,930
OPERATING EXPENSES:			
Costs of operations (exclusive of items shown separately below)			
Rental and management	272,189		272,189
Network development services	14,216		14,216
Depreciation, amortization and accretion	269,789		269,789
Selling, general, administrative and development expense (including stock-based compensation expense of $24,045)	138,453		138,453
Other operating expenses	21,194		21,194
Total operating expenses	715,841		715,841
OPERATING INCOME	444,089		444,089
OTHER INCOME (EXPENSE):			
Interest income, TV Azteca, net of interest expense of $728	7,089		7,089
Interest income	5,015		5,015
Interest expense	(148,939)		(148,939)
Other income	35,166		35,166
Total other expense	(101,669)		(101,669)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INCOME ON EQUITY METHOD INVESTMENTS	342,420		342,420
Income tax (provision) benefit	(137,300)	107,388(B)	(29,912)
Income on equity method investments	12		12
INCOME FROM CONTINUING OPERATIONS	$ 205,132	$ 107,388	$ 312,520
NET INCOME PER COMMON SHARE AMOUNTS:			
BASIC:			
Net income attributable to American Tower Corporation	$ 0.52		$ 0.79
DILUTED:			
Net income attributable to American Tower Corporation	$ 0.52		$ 0.78
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
BASIC	397,180		397,180

DILUTED	401,199	483(C)	401,682

See accompanying notes to unaudited pro forma consolidated financial statements.

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AMERICAN TOWER CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2011

(in thousands, except share data)

	Actual	Adjustments	Pro Forma
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 332,542		$ 332,542
Restricted cash	50,206		50,206
Short-term investments and available-for-sale securities	1,357		1,357
Accounts receivable, net	99,823		99,823
Prepaid and other current assets	172,011		172,011
Deferred income taxes	256,146	(248,998)(D)	7,148
Total current assets	912,085	(248,998)	663,087
PROPERTY AND EQUIPMENT, net	3,909,635		3,909,635
GOODWILL	2,779,116		2,779,116
OTHER INTANGIBLE ASSETS, net	2,346,710		2,346,710
DEFERRED INCOME TAXES	143,957	(16,391)(D)	127,566
NOTES RECEIVABLE AND OTHER LONG-TERM ASSETS	882,281		882,281
TOTAL	$ 10,973,784	$ (265,389)	$ 10,708,395
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	$ 339,931		$ 339,931
Accrued interest	61,703		61,703
Current portion of long-term obligations	782,775		782,775
Unearned revenue	125,474		125,474
Total current liabilities	1,309,883		1,309,883
LONG-TERM OBLIGATIONS	4,919,068		4,919,068
ASSET RETIREMENT OBLIGATIONS	405,491		405,491
OTHER LONG-TERM LIABILITIES	739,554	(195,878)(D)	543,676
Total liabilities	7,373,996	(195,878)	7,178,118
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS EQUITY:			
Preferred stock: $.01 par value; 20,000,000 shares authorized; no shares issued or outstanding			
Common stock: $.01 par value, 1,000,000,000 shares authorized 487,740,025 shares issued and 395,996,123 shares outstanding	4,877	(917)(E)	3,960
Additional paid-in capital	8,630,774	(3,605,798)(E)	5,024,976
Accumulated deficit	(1,529,543)	(69,511)(D)	(1,599,054)
Accumulated other comprehensive income	62,470		62,470
Treasury stock (91,743,902 shares at cost)	(3,606,715)	3,606,715(E)	

Total American Tower Corporation stockholders equity	3,561,863	(69,511)	3,492,352
Noncontrolling interest	37,925		37,925
Total stockholders equity	3,599,788	(69,511)	3,530,277
TOTAL	$ 10,973,784	$ (265,389)	$ 10,708,395

See accompanying notes to unaudited pro forma consolidated financial statements.

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NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(A) *Special E&P Distribution*

In conjunction with the proposed REIT conversion, we will be required to distribute any accumulated E&P pursuant to the Code. We estimate that, as of June 30, 2011, we do not have any accumulated E&P that we would be required to distribute. Accordingly, the pro forma results do not reflect a special E&P distribution.

However, taking into consideration certain assumptions and projections, including our expected full year 2011 operating results, we may be subject to the E&P distribution requirement. We currently estimate that the aggregate amount of the special E&P distribution will be no more than $200 million, which we expect we would declare and pay during the fourth quarter of 2011 solely with cash on hand. We will not make a special E&P distribution, however, if we do not have any pre-REIT accumulated E&P.

If the E&P distribution were to be $200 million, the unaudited consolidated pro forma balance sheet would reflect cash and cash equivalents of $132.5 million, total assets of $10.5 billion and total stockholders equity of $3.3 billion as of June 30, 2011.

(B) *Income Taxes*

As a result of the assumed REIT election on January 1, 2010, income taxes would no longer be payable on certain of our activities. The following activities were considered to be part of the non-taxable activities of a REIT and hence no tax liability was assumed:

- Operating income from tenant leases;
- Sales of tower assets;
- General and administrative costs associated with the above activities;
- Interest costs associated with debt held by the Company;
- An allocation of interest income on cash balances held; and
- An allocation of corporate administrative costs.

The following activities were considered to be part of a TRS. The income from these activities was assumed to be taxed at an average rate of 40%:

- Operating income from rooftop management services and distributed antenna system networks and other non-qualifying activities;
- Operating income from tenant leases generated by the Company s international operations;
- Operating income from tower related services, including site acquisition, zoning and permitting services and structural analysis services;

- General and administrative costs associated with the above activities;
- Interest costs associated with debt held by the Company;
- An allocation of interest income on cash balances held; and
- An allocation of corporate administrative costs.

The result reduces income tax expense by approximately $186 million and $107 million for the year ended December 31, 2010 and the six months ended June 30, 2011, respectively, which would result in income from continuing operations of $559 million and $313 million, respectively.

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(C) *Effect of REIT Conversion on Share Dilution*

As a result of the REIT election, potential excess tax benefits will no longer be included in the calculation of assumed proceeds under the treasury stock method when determining dilutive common shares. For the year ended December 31, 2010 and the six months ended June 30, 2011, the exclusion of the potential excess tax benefits increased dilutive common shares by approximately 365,000 shares and 483,000 shares, respectively.

(D) *Deferred Taxes*

The REIT conversion would create a one-time reversal through our income statement of deferred tax assets and liabilities for assets and liabilities no longer subject to income taxes at the REIT level. The pro forma results include the reversal of net deferred assets and liabilities of approximately $70 million including the reclassification upon conversion to a REIT of approximately $53 million of uncertain tax benefits associated with NOLs previously presented within deferred tax assets. However, the actual reversal upon REIT election will vary depending on the assets within the TRSs at the time of the actual REIT conversion. This reversal has not been reflected in our unaudited pro forma consolidated income statements.

The following table sets forth the estimated net deferred tax reduction for assets and liabilities being reversed by type.

	Net Deferred Tax Reduction (in thousands)
Allowances, accruals and other items not currently deductible	11,623
Current deferred liabilities	(3,453)
Net operating loss carry-forwards	206,088
Basis step-up from corporate restructuring and tax planning strategies	22,123
Accrued asset retirement obligations	74,900
Stock-based compensation	23,331
Deferred revenue	86,343
Noncontrolling interest	31,834
Other comprehensive income	3,239
Impairment of fixed assets	4,656
Amortization of deferred financing costs	3,404
Uncertain tax positions	11,228
Items not currently deductible	21,576
Depreciation and amortization	(293,430)
Deferred rent	(86,757)
Other	(3,284)
Less: Valuation allowance	(43,910)
Total	69,511

(E) *Effect of Merger on Treasury Stock*

As required by the merger agreement, upon completion of the merger between American Tower and American Tower REIT, each share of American Tower Class A common stock held in American Tower s treasury will cease to be outstanding and will return to unissued status, with a corresponding adjustment to additional paid-in capital and common stock.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Sole Stockholder of

American Tower REIT, Inc.

Boston, Massachusetts

We have audited the accompanying balance sheet of American Tower REIT, Inc. (the Company) as of May 31, 2011. This balance sheet is the responsibility of the Company s management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such balance sheet presents fairly, in all material respects, the financial position of American Tower REIT, Inc. as of May 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts

June 3, 2011

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AMERICAN TOWER REIT, INC.

BALANCE SHEET

		As of May 31, 2011
Assets:		
Cash	$	1,000
Total Assets	$	1,000
Liabilities and stockholder s equity:		
Liabilities	$	
Stockholder s equity:		
Common stock, $0.01 par value per share, 100,000 shares authorized, 100,000 shares issued and outstanding		1,000
Total stockholder s equity		1,000
Total liabilities and stockholder s equity	$	1,000

See accompanying note to the balance sheet.

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AMERICAN TOWER REIT, INC.

NOTE TO THE BALANCE SHEET

1. Organization

American Tower REIT was incorporated on May 17, 2011, under the laws of the State of Delaware and was authorized to issue 100,000 shares of $0.01 par value common stock. American Tower REIT, a wholly owned subsidiary of American Tower, was created to effect the merger described below.

Prior to the merger, American Tower REIT will conduct no business other than incident to the merger. In the merger, American Tower will merge with and into American Tower REIT. Upon effectiveness of the merger, shares of American Tower will be cancelled and the outstanding shares of Class A common stock will be converted into the right to receive the same number of shares of American Tower REIT common stock. American Tower REIT will, by virtue of the merger, directly or indirectly own all of the assets and business formerly owned by American Tower.

Also effective at the time of the merger, American Tower REIT will change its name to American Tower Corporation and its certificate of incorporation will be amended and restated. The restated certificate is substantially the same as the American Tower Charter, except for the addition of restrictions on ownership and transfer of American Tower REIT common stock to facilitate compliance with the rules applicable to REITs. The members of the board of directors and management of American Tower immediately prior to the merger will hold the same positions with American Tower REIT immediately after the merger.

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SELECTED FINANCIAL DATA

The following tables present a summary of historical consolidated financial data as of the dates and for the periods indicated for American Tower, which is deemed to be the predecessor of American Tower REIT for accounting purposes.

The selected statement of operations data presented below for the three and six months ended June 30, 2011 and 2010 have been derived from American Tower s unaudited consolidated financial statements and related notes thereto incorporated by reference into this proxy statement/prospectus. The selected statement of operations data presented below for the fiscal years ended December 31, 2010, 2009 and 2008 and the selected balance sheet data as of December 31, 2010 and 2009 have been derived from American Tower s audited consolidated financial statements and related notes thereto incorporated by reference into this proxy statement/prospectus. The statement of operations data presented below for the fiscal years ended December 31, 2007 and 2006 and the selected balance sheet data as of December 31, 2008, 2007 and 2006 have been derived from American Tower s audited consolidated financial statements and related notes thereto, which are not incorporated by reference into this proxy statement/prospectus. The information in the following table may not be comparable to the operations of American Tower REIT on a going-forward basis following the REIT conversion and thus may not be indicative of American Tower REIT s future performance.

The following information does not provide all of the information contained in American Tower s financial statements, including the related notes. It is important for you to read the following summary of selected financial data together with the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and with American Tower s consolidated financial statements and accompanying notes incorporated by reference into this proxy statement/prospectus.

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	Year Ended December 31,					Six Months Ended June 30,	
	2006	2007	2008	2009	2010	2010	2011
	(In thousands, except per share data)						
Statements of Operations Data:							
Revenues:							
Rental and management	$ 1,294,068	$ 1,425,975	$ 1,547,035	$ 1,668,420	$ 1,936,373	$ 900,299	$ 1,130,494
Network development services	23,317	30,619	46,469	55,694	48,962	24,072	29,436
Total operating revenues	1,317,385	1,456,594	1,593,504	1,724,114	1,985,335	924,371	1,159,930
Operating expenses:							
Cost of operations (exclusive of items shown separately below)							
Rental and management	332,246	343,450	363,024	383,990	447,629	206,197	272,189
Network development services	11,291	16,172	26,831	32,385	26,957	12,471	14,216
Depreciation, amortization and accretion (1)	528,051	522,928	405,332	414,619	460,726	221,238	269,789
Selling, general, administrative and development expense	159,324	186,483	180,374	201,694	229,769	107,109	138,453
Other operating expenses	2,572	9,198	11,189	19,168	35,876	9,791	21,194
Total operating expenses	1,033,484	1,078,231	986,750	1,051,856	1,200,957	556,806	715,841
Operating income	283,901	378,363	606,754	672,258	784,378	367,565	444,089
Interest income, TV Azteca, net	14,208	14,207	14,253	14,210	14,212	7,084	7,089
Interest income	9,002	10,848	3,413	1,722	5,024	1,196	5,015
Interest expense	(215,643)	(235,824)	(253,584)	(249,803)	(246,018)	(114,491)	(148,939)
Loss on retirement of long-term obligations	(27,223)	(35,429)	(4,904)	(18,194)	(1,886)	(35)	
Other income (expense)	6,619	20,675	5,988	1,294	315	(6,323)	35,166
Income before income taxes and income on equity method investments	70,864	152,840	371,920	421,487	556,025	254,996	342,420
Income tax provision	(41,768)	(59,809)	(135,509)	(182,565)	(182,489)	(58,741)	(137,300)
Income on equity method investments	26	19	22	26	40	18	12
Income from continuing operations	29,122	93,050	236,433	238,948	373,576	196,273	205,132
(Loss) income from discontinued operations	(854)	(36,396)	110,982	8,179	30	29	
Net income	28,268	56,654	347,415	247,127	373,606	196,302	205,132
Net (income) loss attributable to noncontrolling interest	(784)	(338)	(169)	(532)	(670)	(319)	1,921
Net income attributable to American Tower Corporation	$ 27,484	$ 56,316	$ 347,246	$ 246,595	$ 372,936	$ 195,983	$ 207,053
Basic income per common share from continuing operations attributable to American Tower Corporation (2)	$ 0.06	$ 0.22	$ 0.60	$ 0.60	$ 0.93	$ 0.49	$ 0.52
Diluted income per common share from continuing operations attributable to American Tower Corporation (2)	$ 0.06	$ 0.22	$ 0.58	$ 0.59	$ 0.92	$ 0.48	$ 0.52
Weight average common shares outstanding (2)							
Basic	424,525	413,167	395,947	398,375	401,152	402,540	397,180
Diluted	436,217	426,079	418,357	406,948	404,072	405,685	401,199
Other Operating Data:							

Ratio of earnings to fixed charges (3)	1.25x	1.50x	2.12x	2.27x	2.65x	2.60x	2.70x

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	As of December 31,					As of June 30,
	2006	2007	2008	2009	2010 (4)	2011
	(In thousands)					
Balance Sheet Data:						
Cash and cash equivalents (including restricted cash) (5)	$ 281,264	$ 86,807	$ 194,943	$ 295,129	$ 959,935	$ 382,748
Property and equipment, net	3,218,124	3,045,186	3,022,636	3,169,623	3,643,028	3,909,635
Total assets	8,613,219	8,130,457	8,211,665	8,519,931	10,368,040	10,973,784
Long-term obligations, including current portion	3,543,016	4,285,284	4,333,146	4,211,581	5,587,388	5,701,843
Total American Tower Corporation stockholders equity	4,384,916	3,022,092	2,991,322	3,315,082	3,501,444	3,561,863

(1) In 2008, we completed a review of the estimated useful lives of our tower assets. Based upon this review, we revised the estimated useful lives of our towers and certain related intangible assets, primarily our network location intangible assets, from our historical estimate of 15 years to a revised estimate of 20 years. We accounted for this change as a change in estimate which was accounted for prospectively, effective January 1, 2008. For the year ended December 31, 2008, the change resulted in a reduction in depreciation and amortization expense of approximately $121.2 million and an increase in net income of approximately $74.4 million.

(2) Basic income per common share from continuing operations represents income from continuing operations attributable to American Tower Corporation divided by the weighted average number of common shares outstanding during the period. Diluted income per common share from continuing operations represents income from continuing operations attributable to American Tower Corporation divided by the weighted average number of common shares outstanding during the period and any dilutive common share equivalents, including shares issuable upon exercise of stock options and warrants, as determined under the treasury stock method, and upon conversion of our convertible notes, as determined under the if-converted method.

(3) For the purpose of this calculation, earnings consist of income from continuing operations before income taxes, income on equity method investments and fixed charges (excluding interest capitalized and amortization of interest capitalized). Fixed charges consist of interest expense, including amounts capitalized, amortization of debt discount and related issuance costs and the component of rental expense associated with operating leases believed by management to be representative of the interest factor thereon. We had an excess in earnings to fixed charges in each period as follows (in thousands): 2006 $72,813; 2007 $155,462; 2008 $373,842; 2009 $423,743; 2010 $557,833; and the six months ended June 30, 2010 $255,691 and 2011 $344,386.

(4) During the six months ended June 30, 2011, we updated the purchase accounting for several acquisitions which closed in 2010, which required an adjustment to previously reported balances.

(5) As of June 30, 2011, amount includes approximately $50.2 million of restricted funds pledged as collateral to secure obligations and cash that is otherwise limited by contractual provisions.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Set forth below is a discussion and analysis of the financial condition and results of operations of American Tower. After the merger, American Tower REIT will succeed to and continue the business of American Tower. Due to the impact of taxes and anticipated distributions following the merger and the REIT conversion, we do not believe the historical results of operations of American Tower will be fully comparable to the results from operations following the REIT conversion and the merger. Information concerning significant financial effects of the REIT conversion is contained in the section entitled Pro Forma Financial Information. This pro forma information reflects adjustments to our historical balance sheet and statements of operations for the period presented as if American Tower had operated as a REIT. The adjustments are not necessarily indicative of the financial condition or operating results that would have been achieved had the REIT conversion been completed as of the date of the financial statements, but illustrates its estimated effect.

The discussion and analysis of our financial condition and results of operations that follow are based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ significantly from these estimates under different assumptions or conditions. This discussion should be read in conjunction with American Tower s condensed consolidated financial statements included in its Annual Report on Form 10-K for the period ended December 31, 2010 and the accompanying notes thereto, and the information set forth in the section entitled Critical Accounting Policies and Estimates.

Overview

We are a leading wireless and broadcast communications infrastructure company that, through our various subsidiaries, owns, operates and develops communications sites. Our communications site portfolio of 38,048 sites includes wireless communications towers, broadcast communications towers and DAS networks, which are collocation solutions to support seamless in-building and outdoor wireless coverage. Our portfolio consists of towers that we own and towers that we operate pursuant to long-term lease arrangements, including, as of June 30, 2011, 21,118 towers domestically and 16,667 towers internationally. Our portfolio also includes 263 in-building and outdoor DAS networks that we operate in malls, casinos and other in-building applications, and select outdoor environments. In addition to the communications sites in our portfolio, we manage rooftop and tower sites for property owners. Our primary business is leasing antenna space on multi-tenant communications sites to wireless service providers and radio and television broadcast companies. We refer to this business as our rental and management operations, which accounted for approximately 97% of our total revenues for the six months ended June 30, 2011.

The majority of our tenant leases with wireless carriers are typically for an initial non-cancellable term of five to ten years, with multiple five-year renewal terms thereafter. Accordingly, nearly all of the revenue generated by our rental and management operations as of the end of December 2010 is recurring revenue that we should continue to receive in future periods. As of December 31, 2010, we had approximately $13.5 billion of non-cancellable tenant lease revenue, absent the impact of straight-line lease accounting. In addition, most of our tenant leases have provisions that periodically increase the rent due under the lease. These contractual rent escalations are typically annual and based on a fixed percentage (generally three to five percent), inflation, or a fixed percentage plus inflation. Revenue generated by rent increases based on fixed escalation clauses is recognized on a straight-line basis over the non-cancellable term of the applicable agreement. We also routinely seek to extend our tenant leases with our tenants, which increases the non-cancellable term of the lease and creates incremental growth in our revenues.

The revenues generated by our rental and management operations may also be affected by cancellations of existing tenant leases. As discussed above, most of our tenant leases with wireless carriers and broadcasters are

multi-year contracts, which typically may not be cancelled or, in some instances, may be cancelled only upon payment of a termination fee. Accordingly, revenue lost from either cancellations of leases at the end of their terms or rent negotiations historically have not had a material adverse effect on the revenues generated by our rental and management operations. During the year ended December 31, 2010, loss of annual revenue from tenant lease cancellations or renegotiations represented less than 3% of our rental and management operations revenues.

In the section that follows, we provide information regarding management s expectations of long-term drivers of demand for our communications sites, as well as our current quarter results of operations, financial position, and sources and uses of liquidity. In addition, we highlight key trends, which management believes provides valuable insight into operating and financial resource allocation decisions for the Company.

Revenue Growth. Our revenue is primarily generated from tenant leases, and the annual rental payments vary considerably depending upon various factors, including but not limited to, tower location, amount of tenant equipment on the tower, ground space required by the tenant and remaining tower capacity. We measure the available capacity of our existing facilities to support additional tenants and generate additional lease revenue by assessing several factors, including tower height, tower type, environmental conditions, existing equipment on the tower and zoning and permitting regulations in effect in the jurisdiction where the tower is located.

Our tenant leases are typically non-cancellable and have annual rent escalations. Our primary costs typically include ground rent, property taxes and repairs and maintenance, which are primarily fixed, with annual cost escalations. In our international markets, a portion of our operating costs is passed through to our tenants, such as ground rent and fuel costs. The primary factors affecting the consistent incremental growth in our revenues and cash flows for our domestic and international rental and management segments are new revenue generated from new sites acquired or constructed since the beginning of the prior year period, which we refer to as new sites and organic revenue growth, which consists of:

- Recurring revenues from tenant leases generated from sites which existed in our portfolio as of the beginning of the prior year period, which we refer to as legacy sites;
- Contractual rent escalations on existing tenant leases, net of cancellations; and
- New revenue generated from leasing additional space on our legacy sites.

We continue to believe that our site leasing revenue is likely to increase due to the growing use of wireless communications services and our ability to meet that demand by adding new tenants and new equipment for existing tenants on our legacy sites, which increases the utilization and profitability of our sites. In addition, we believe the majority of our site leasing activity will continue to come from wireless broadband service providers. Our legacy site portfolio and our established tenant base provide us with new business opportunities, which have historically resulted in consistent and predictable revenue growth. In addition, we intend to continue to supplement the growth on our legacy sites by selectively developing or acquiring new sites in our existing and new markets where we can achieve our return on investment criteria.

Rental and Management Operations Organic Revenue Growth. Consistent with our strategy to increase the utilization and return on investment of our legacy sites, our objective is to add new tenants and new equipment for existing tenants on our legacy sites. Our ability to lease additional space on our sites is a function of the rate at which wireless carriers deploy capital to improve and expand their wireless networks and, to a lesser extent, the location of and available capacity on our existing sites. This rate, in turn, is influenced by the growth of wireless communications services and related infrastructure needs, the financial performance of our tenants and their access to capital, and general economic conditions. Key trends within each market that we serve provide opportunities for organic revenue growth.

- *Domestic*. The majority of wireless subscribers in the United States currently utilize 3G technology based handsets, for both voice and data applications. As a result of the rapid subscriber adoption of

wireless data applications, wireless service providers continue to invest in their 3G networks by adding new cell sites as well as additional equipment to their existing cell sites. This level of wireless communications services growth has produced consistent levels of annual wireless carrier capital investment and as a result, we have experienced consistent demand for our communications sites.

In addition, wireless service providers in the United States continue to pursue new avenues for growth, such as deploying 4G technology based wireless networks to provide higher speed data services and enable fixed broadband substitution. As wireless service providers begin to deploy 4G wireless networks, we expect them to overlay 4G equipment across their existing networks of communications sites, resulting in additional revenue. Subsequent to the initial deployment and based on actual subscriber demand, we expect providers to add additional equipment and new communications sites to improve the coverage and capacity of their 4G wireless networks as subscribers transition from 3G handsets. In connection with consistent levels of annual wireless carrier capital investment, this technology migration path has historically provided consistent demand for our communications sites as our tenants migrate their networks from one technology to the next to remain competitive.

International. In general, our international markets are less advanced with respect to the current technologies deployed for wireless services. As a result, demand for our communications sites is driven by continued voice network investments, new market entrants and initial 3G data network deployments. For example, in India, nationwide voice networks continue to be deployed as wireless service providers are beginning their initial investments in 3G data networks, as a result of recent spectrum auctions. In Mexico and Brazil, where nationwide voice networks have been deployed, some incumbent wireless service providers continue to invest in their 3G data networks, and recent spectrum auctions have enabled other incumbent wireless service providers and new market entrants to begin their initial investments in 3G data networks. In markets such as Chile and Peru, recent spectrum auctions have attracted new market entrants, who are expected to begin their investment in deploying nationwide voice and 3G data networks. We believe demand for our tower sites will continue in our international markets as wireless service providers seek to remain competitive by increasing the coverage of their networks while also investing in next generation data networks.

As we continue to focus on growing our rental and management operations, we anticipate that our network development services revenue will continue to represent a small percentage of our total revenues. Through our network development services segment, we offer tower-related services, including site acquisition, zoning and permitting services and structural analysis services, which primarily support our site leasing business and the addition of new tenants and equipment on our sites.

Our continuing operations are reported in three segments, domestic rental and management, international rental and management and network development services. Management focuses on segment gross margin and segment operating profit as a means to measure operating performance in our business segments. We define segment gross margin as segment revenue less segment operating expenses excluding: depreciation, amortization and accretion; selling, general, administrative and development expense; and other operating expense. We define segment operating profit as segment gross margin less selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. Segment gross margin and segment operating profit for the rental and management segments also include interest income, TV Azteca, net (see note 12 to our condensed consolidated financial statements included in our Form 10-Q for the quarter ended June 30, 2011). These measures of segment gross margin and segment operating profit are also before interest income, interest expense, loss on retirement of long-term obligations, other income (expense), net income attributable to noncontrolling interest, income (loss) on equity method investments, income taxes and discontinued operations.

Non-GAAP Financial Measures

Included in our analysis of our results of operations are discussions regarding earnings before interest, taxes, depreciation, amortization and accretion, as adjusted, or Adjusted EBITDA. We define Adjusted EBITDA as net income before: income (loss) from discontinued operations, net; income from equity method investments;

income tax provision (benefit); other income (expense); loss on retirement of long-term obligations; interest expense; interest income; other operating expenses; depreciation, amortization and accretion; and stock-based compensation expense.

Adjusted EBITDA is not intended to replace net income or any other performance measures determined in accordance with GAAP. Rather, Adjusted EBITDA is presented as we believe it is a useful indicator of our current operating performance. We believe that Adjusted EBITDA is useful to an investor in evaluating our operating performance because: (1) it is the primary measure used by our management team for purposes of decision making and for evaluating the performance of our operating segments; (2) it is a component of the calculation used by our lenders to determine compliance with certain debt covenants; (3) it is widely used in the tower industry to measure operating performance, as depreciation, amortization and accretion may vary significantly among companies depending upon accounting methods and useful lives, particularly where acquisitions and non-operating factors are involved; (4) it provides investors with a meaningful measure for evaluating our period to period operating performance by eliminating items which are not operational in nature; and (5) it provides investors with a measure for comparing our results of operations to those of different companies by excluding the impact of long-term strategic decisions which can differ significantly from company to company, such as decisions with respect to capital structure, capital investments and the tax jurisdictions in which companies operate.

Our measurement of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. A reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure, has been included below.

Results of Operations

Six Months Ended June 30, 2011 and 2010 (in thousands)

Revenue

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Amount of Increase (Decrease)	Percent Increase (Decrease)
Rental and management				
Domestic	$ 842,532	$ 744,651	$ 97,881	13%
International	287,962	155,648	132,314	85
Total rental and management	1,130,494	900,299	230,195	26
Network development services	29,436	24,072	5,364	22
Total revenues	$ 1,159,930	$ 924,371	$ 235,559	25%

Total revenues for the six months ended June 30, 2011, increased 25% to $1,159.9 million. The increase was primarily attributable to an increase in both of our rental and management segments, including organic revenue growth attributable to our legacy sites and revenue growth attributable to the approximately 10,800 new sites that we have constructed or acquired since January 1, 2010.

Domestic rental and management segment revenue for the six months ended June 30, 2011 increased 13% to $842.5 million. This growth was comprised of:

- Approximately 11% from organic revenue growth, which was due to the incremental revenue generated from adding new tenants to legacy sites, existing tenants adding more equipment to legacy sites, contractual rent escalations, and a positive impact from straight-line lease accounting due to extending thousands of leases with one of our major customers, partially offset by tenant lease cancellations; and

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Revenue growth from new sites of approximately 2%, which was a result of the construction or acquisition of approximately 1,100 new domestic sites since January 1, 2010.

International rental and management segment revenue for the six months ended June 30, 2011 increased 85% to $288.0 million. This growth was comprised of:

Approximately 16% from organic revenue growth, which was due to the incremental revenue generated from adding new tenants to legacy sites, existing tenants adding more equipment to legacy sites, contractual rent escalations, a decrease in revenue reserves, the positive impact of foreign currency translation and the positive impact from straight-line lease accounting, and was partially offset by tenant lease cancellations; and

Revenue growth from new sites of approximately 69%, which was a result of the construction or acquisition of approximately 9,700 new international sites since January 1, 2010.

Network development services segment revenue for the six months ended June 30, 2011 increased 22% to $29.4 million. The increase was primarily attributable to a favorable one-time item.

Gross Margin

	Six Months Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2011	2010		
Rental and management				
Domestic	$ 671,752	$ 586,673	$ 85,079	15%
International	193,642	114,513	79,129	69
Total rental and management	865,394	701,186	164,208	23
Network development services	15,220	11,601	3,619	31
Total gross margin	$ 880,614	$ 712,787	$ 167,827	24%

Total gross margin for the six months ended June 30, 2011 increased 24% to $880.6 million. The increase was primarily attributable to an increase in both of our rental and management segments and our network development services segment.

Domestic rental and management segment gross margin for the six months ended June 30, 2011 increased 15% to $671.8 million. The growth was primarily attributable to the increase in revenue as described above, and was partially offset by an 8% increase in direct operating costs, of which 4% was attributable to expense increases on our legacy domestic sites and 4% was attributable to the incremental direct operating costs associated with the addition of approximately 1,100 new domestic sites since January 1, 2010.

International rental and management segment gross margin for the six months ended June 30, 2011 increased 69% to $193.6 million. The growth was primarily attributable to the increase in revenue as described above, and was partially offset by a 110% increase in direct operating costs, including pass-through expenses, of which 15% was attributable to expense increases on our legacy international sites, including changes in foreign currency exchange rates and from an accrual adjustment made for straight-line ground lease accounting and 95% was attributable to the incremental costs associated with the addition of approximately 9,700 new international sites since January 1, 2010.

Network development services segment gross margin for the six months ended June 30, 2011 increased 31% to $15.2 million. The increase was primarily attributable to the nonrecurring increase in revenue described above.

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Selling, General, Administrative and Development Expense

	Six Months Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2011	2010		
Rental and management				
Domestic	$ 36,012	$ 27,561	$ 8,451	31%
International	38,978	18,951	20,027	106
Total rental and management	74,990	46,512	28,478	61
Network development services	3,212	3,110	102	3
Other	60,251	57,487	2,764	5
Total selling, general, administrative and development expense	$ 138,453	$ 107,109	$ 31,344	29%

Total selling, general, administrative and development expense for the six months ended June 30, 2011, increased 29% to $138.5 million. The increase was primarily attributable to an increase in both of our rental and management segments.

Domestic rental and management segment selling, general, administrative and development expense for the six months ended June 30, 2011 increased 31% to $36.0 million. The increase was primarily attributable to initiatives designed to drive growth and to support a growing portfolio, including increased staffing in field operations, sales and finance, information technology, as well as costs associated with establishing a dedicated team to more actively pursue new product lines, such as shared generators and outdoor DAS networks.

International rental and management segment selling, general, administrative and development expense for the six months ended June 30, 2011 increased 106% to $39.0 million. The increase was primarily attributable to our increased international expansion initiatives in Chile, Colombia, Ghana, India, Peru and South Africa.

Network development services segment selling, general, administrative and development expense for the six months ended June 30, 2011 increased 3% to $3.2 million. The increase was primarily attributable to costs incurred to support our new tower development and our site acquisition, zoning and permitting services.

Operating Profit

	Six Months Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2011	2010		
Rental and management				
Domestic	$ 635,740	$ 559,112	$ 76,628	14%
International	154,664	95,562	59,102	62
Total rental and management	790,404	654,674	135,730	21
Network development services	12,008	8,491	3,517	41
Total operating profit	$ 802,412	$ 663,165	$ 139,247	21%

Total operating profit for the six months ended June 30, 2011 increased 21% to $802.4 million. The increase was primarily attributable to the increase in both our rental and management segments gross margin, and was partially offset by increases in overhead costs attributable to both of our rental and management segments.

Domestic rental and management segment operating profit for the six months ended June 30, 2011 increased 14% to $635.7 million. The growth was primarily attributable to the increase in our domestic rental and management segment gross margin (15%) as described above, and was partially offset by increases in our domestic rental and management segment overhead costs (31%), as described above.

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International rental and management segment operating profit for the six months ended June 30, 2011 increased 62% to $154.7 million. The growth was primarily attributable to the increase in our international rental and management segment gross margin (69%) as described above, and was partially offset by increases in our international rental and management segment overhead costs (106%), as described above.

Network development services segment operating profit for the six months ended June 30, 2011 increased 41% to $12.0 million. The growth was primarily attributable to the increase in gross margin as described above.

Depreciation, Amortization and Accretion

	Six Months Ended June 30,		Amount of Increase	Percent Increase
	2011	2010	(Decrease)	(Decrease)
Depreciation, amortization and accretion	$ 269,789	$ 221,238	$ 48,551	22%

Depreciation, amortization and accretion for the six months ended June 30, 2011 increased 22% to $269.8 million. The increase was primarily attributable to the depreciation, amortization and accretion associated with the acquisition or construction of approximately 10,800 sites since January 1, 2010, which resulted in an increase in property and equipment.

Other Operating Expenses

	Six Months Ended June 30,		Amount of Increase	Percent Increase
	2011	2010	(Decrease)	(Decrease)
Other operating expenses	$ 21,194	$ 9,791	$ 11,403	116%

Other operating expenses for the six months ended June 30, 2011 increased 116% to $21.2 million. The increase was primarily attributable to an increase of approximately $5.3 million in acquisition related costs and an increase in consulting and legal costs associated with our evaluation of a potential election to a REIT.

Interest Expense

	Six Months Ended June 30,		Amount of Increase	Percent Increase
	2011	2010	(Decrease)	(Decrease)
Interest expense	$ 148,939	$ 114,491	$ 34,448	30%

Interest expense for the six months ended June 30, 2011 increased 30% to $148.9 million. The increase was primarily attributable to an increase in average debt outstanding, partially offset by a reduction in our annualized weighted average cost of borrowing from 5.49% to 5.34%.

Other Income (Expense)

	Six Months Ended June 30,		Amount of Increase	Percent Increase
	2011	2010	(Decrease)	(Decrease)
Other income (expense)	$ 35,166	$ (6,323)	$ 41,489	656%

Other income for the six months ended June 30, 2011 was $35.2 million, as compared to other expense of $6.3 million for the six months ended June 30, 2010. During the six months ended June 30, 2011, we recorded

unrealized foreign currency gains associated primarily with intercompany notes and similar unaffiliated balances denominated in a currency other than the subsidiaries functional currencies of approximately $43.6 million, partially offset by other miscellaneous expenses of $8.4 million. During the six months ended June 30, 2010, we recorded unrealized foreign currency losses of approximately $5.8 million.

Income Tax Provision

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Amount of Increase (Decrease)	Percent Increase (Decrease)
Income tax provision	$ 137,300	$ 58,741	$ 78,559	134%
Effective tax rate	40.1%	23.0%		

The income tax provision for the six months ended June 30, 2011 increased 134% to $137.3 million. The ETR for the six months ended June 30, 2011 increased to 40.1% from 23.0%. The increase in ETR is primarily attributable to the impact of discrete items during the six month period. Discrete items resulted in a decrease in the income tax provision of approximately $1.8 million and ETR of 0.5% during the six months ended June 30, 2011, compared to a decrease in the income tax provision of approximately $45.7 million and ETR of 17.9% during the six months ended June 30, 2010. The discrete items during the six months ended June 30, 2010 primarily related to a reduction in accrued income taxes from the implementation of restructuring activities in Latin America as well as the net benefit related to net operating losses.

The effective tax rates on income from continuing operations for the six months ended June 30, 2011 and 2010 differ from the federal statutory rate due primarily to adjustments for foreign items, non-deductible stock-based compensation expense, tax reserves and state taxes.

Net Income/Adjusted EBITDA

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 205,132	$ 196,302	$ 8,830	4%
Income from discontinued operations, net		(29)	(29)	(100)
Income from continuing operations	205,132	196,273	8,859	5
Income from equity method investments	(12)	(18)	(6)	(33)
Income tax provision	137,300	58,741	78,559	134
Other (income) expense	(35,166)	6,323	41,489	656
Loss on retirement of long-term obligations		35	(35)	(100)
Interest expense	148,939	114,491	34,448	30
Interest income	(5,015)	(1,196)	3,819	319
Other operating expenses	21,194	9,791	11,403	116
Depreciation, amortization and accretion	269,789	221,238	48,551	22
Stock-based compensation expense	24,045	26,792	(2,747)	(10)
Adjusted EBITDA	$ 766,206	$ 632,470	$ 133,736	21%

Net income for the six months ended June 30, 2011 increased 4% to $205.1 million. The increase was primarily attributable to an increase in operating profit, as described above, offset by an increase in depreciation, amortization and accretion and an increase in income tax provision.

Adjusted EBITDA for the six months ended June 30, 2011 increased 21% to $766.2 million. Adjusted EBITDA growth was primarily attributable to the increase in our gross margin (24%) and was partially offset by an increase in selling, general, administrative and development expenses (29%).

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Years Ended December 31, 2010 and 2009 (In thousands)

Revenue

	Year Ended December 31, 2010	2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Rental and management				
Domestic	$ 1,565,474	$ 1,408,352	$ 157,122	11%
International	370,899	260,068	110,831	43
Total rental and management	1,936,373	1,668,420	267,953	16
Network development services	48,962	55,694	(6,732)	(12)
Total revenues	$ 1,985,335	$ 1,724,114	$ 261,221	15%

Total revenues for the year ended December 31, 2010 increased 15% to $1,985.3 million. The increase was primarily attributable to an increase in both of our rental and management segments, including organic revenue growth attributable to our legacy sites and revenue growth attributable to the approximately 11,400 new sites that we have constructed or acquired since January 1, 2009. This growth was partially offset by a decrease in network development services segment revenue.

Domestic rental and management segment revenue for the year ended December 31, 2010 increased 11% to $1,565.5 million. This growth was comprised of:

- Approximately 9% from organic revenue growth, which was due to the incremental revenue generated from adding new tenants to legacy sites, existing tenants adding more equipment to legacy sites, contractual rent escalations and a one-time revenue item, partially offset by tenant lease cancellations and a decline in revenue attributable to a tenant take or pay agreement and settlement from 2009, which did not recur in 2010; and

- Revenue growth from new sites of approximately 2%, which was a result of the construction or acquisition of approximately 1,500 new domestic sites since January 1, 2009.

International rental and management segment revenue for the year ended December 31, 2010 increased 43% to $370.9 million. This growth was comprised of:

- Approximately 8% from organic revenue growth, which was due to the incremental revenue generated from adding new tenants to legacy sites, existing tenants adding more equipment to legacy sites, contractual rent escalations, the positive impact of foreign currency translation and the positive impact from straight-line lease accounting, and was partially offset by tenant lease cancellations and renegotiations with our largest tenant in Mexico; and

- Revenue growth from new sites of approximately 35%, which was a result of the construction or acquisition of approximately 9,900 new international sites since January 1, 2009.

Network development services segment revenue for the year ended December 31, 2010 decreased 12% to $49.0 million. The decrease was primarily attributable to revenues generated during the year ended December 31, 2009 for a material acquisition, zoning and permitting project with a major tenant, which did not recur in 2010.

Gross Margin

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2010	2009		
Rental and management				
Domestic	$ 1,240,114	$ 1,096,350	$ 143,764	13%
International	262,842	202,290	60,552	30
Total rental and management	1,502,956	1,298,640	204,316	16
Network development services	22,005	23,309	(1,304)	(6)
Total gross margin	$ 1,524,961	$ 1,321,949	$ 203,012	15%

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Total gross margin for the year ended December 31, 2010 increased 15% to $1,525.0 million. The increase was primarily attributable to an increase in both of our rental and management segments and was partially offset by a decrease in gross margin attributable to our network development services segment.

Domestic rental and management segment gross margin for the year ended December 31, 2010 increased 13% to $1,240.1 million. The growth was primarily attributable to the increase in revenue as described above, and was partially offset by a 4% increase in direct operating costs, of which 1% was attributable to expense increases on our legacy domestic sites and 3% was attributable to the incremental direct operating costs associated with the addition of approximately 1,500 new domestic sites since January 1, 2009.

International rental and management segment gross margin for the year ended December 31, 2010 increased 30% to $262.8 million. The growth was primarily attributable to the increase in revenue as described above, and was partially offset by a 70% increase in direct operating costs, including pass-through expenses, of which 10% was attributable to expense increases on our legacy international sites and 60% was attributable to the incremental costs associated with the addition of approximately 9,900 new international sites since January 1, 2009.

Network development services segment gross margin for the year ended December 31, 2010 decreased 6% to $22.0 million. The decrease was primarily attributable to the reduction in revenue attributable to our site acquisition, zoning and permitting services.

Selling, General, Administrative and Development Expense

	Year Ended December 31, 2010	Year Ended December 31, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Rental and management				
Domestic	$ 62,295	$ 55,635	$ 6,660	12%
International	45,877	30,551	15,326	50
Total rental and management	108,172	86,186	21,986	26
Network development services	6,312	5,816	496	9
Other	115,285	109,692	5,593	5
Total selling, general, administrative and development expense	$ 229,769	$ 201,694	$ 28,075	14%

Total selling, general, administrative and development expense for the year ended December 31, 2010, increased 14% to $229.8 million. The increase was primarily attributable to an increase in both of our rental and management segments and corporate overhead to support the continued growth of our operations. These increases were partially offset by lower stock-based compensation expense.

Domestic rental and management segment selling, general, administrative and development expense for the year ended December 31, 2010 increased 12% to $62.3 million. The increase was primarily attributable to initiatives designed to drive growth and to support a growing portfolio, including increased staffing in field operations, sales and finance, as well as costs associated with establishing a dedicated team to more actively pursue new product lines, such as shared generators and outdoor DAS networks.

International rental and management segment selling, general, administrative and development expense for the year ended December 31, 2010, increased 50% to $45.9 million. The increase was primarily attributable to our increased international expansion, including acquisitions of several tower businesses in India, as well as costs associated with our recent expansion initiatives in Chile, Colombia and Peru.

Network development services segment selling, general, administrative and development expense for the year ended December 31, 2010 increased 9% to $6.3 million. The increase was primarily attributable to costs incurred to support our new tower development and our site acquisition, zoning and permitting services.

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Other selling, general, administrative and development expense for the year ended December 31, 2010, increased 5% to $115.3 million. The increase was primarily due to a $13.7 million increase in corporate expenses, which were partially offset by a $8.1 million decrease in stock-based compensation expense. The increase in corporate expenses was primarily attributable to incremental employee and increased information technology costs associated with supporting a growing global organization. The decrease in stock-based compensation expense was primarily attributable to the one-time expense recognized upon the modification of certain equity awards in 2009, which did not recur in 2010.

Operating Profit

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2010	2009		
Rental and management				
Domestic	$ 1,177,819	$ 1,040,715	$ 137,104	13%
International	216,965	171,739	45,226	26
Total rental and management	1,394,784	1,212,454	182,330	15
Network development services	15,693	17,493	(1,800)	(10)
Total operating profit	$ 1,410,477	$ 1,229,947	$ 180,530	15%

Total operating profit for the year ended December 31, 2010 increased 15% to $1,410.5 million. The increase was primarily attributable to the increase in both our rental and management segments gross margin, and was partially offset by increases in overhead costs attributable to both of our rental and management segments.

Domestic rental and management segment operating profit for the year ended December 31, 2010 increased 13% to $1,177.8 million. The growth was primarily attributable to the increase in our domestic rental and management segment gross margin (13%) as described above, and was partially offset by increases in our domestic rental and management segment overhead costs (12%), as described above.

International rental and management segment operating profit for the year ended December 31, 2010 increased 26% to $217.0 million. The growth was primarily attributable to the increase in our international rental and management segment gross margin (30%) as described above, and was partially offset by increases in our international rental and management segment overhead costs (50%), as described above.

Network development services segment operating profit for the year ended December 31, 2010 decreased 10% to $15.7 million. The decrease was primarily attributable to the decrease in revenue and an increase in segment overhead costs, as described above.

Depreciation, Amortization and Accretion

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2010	2009		
Depreciation, amortization and accretion	$ 460,726	$ 414,619	$ 46,107	11%

Depreciation, amortization and accretion for the year ended December 31, 2010 increased 11% to $460.7 million. The increase was primarily attributable to the depreciation, amortization and accretion associated with the acquisition or construction of approximately 7,800 sites since January 1, 2010, which resulted in an increase in property and equipment.

Other Operating Expenses

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)

	2010	2009		
Other operating expenses	$ 35,876	$ 19,168	$ 16,708	87%

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Other operating expenses for the year ended December 31, 2010 increased 87% to $35.9 million. The increase was primarily attributable to an increase of approximately $10.7 million in acquisition related costs, an increase of approximately $4.1 million in impairments and losses on the sale of assets, and an increase of $1.7 million of consulting and legal costs associated with our evaluation of a potential election to a REIT.

Interest Expense

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2010	2009		
Interest expense	$ 246,018	$ 249,803	$ (3,785)	(2%)

Interest expense for the year ended December 31, 2010 decreased 2% to $246.0 million. The decrease was primarily attributable to a reduction in our weighted average cost of borrowing from 5.82% to 5.52%, partially offset by an increase in average debt outstanding.

Income Tax Provision

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2010	2009		
Income tax provision	$ 182,489	$ 182,565	$ (76)	(0%)
Effective tax rate	32.8%	43.3%		

The income tax provision for the year ended December 31, 2010 remained relatively flat at $182.5 million. The effective tax rate for the year ended December 31, 2010 decreased to 32.8% from 43.3%. The decrease in the effective tax rate was primarily due to reduced foreign withholding taxes, the recognition of previously reserved NOLs and a reduction in the foreign currency impact on certain tax items.

The effective tax rates on income from continuing operations for the years ended December 31, 2010 and 2009 differ from the federal statutory rate due primarily to adjustments for foreign items, non-deductible stock-based compensation expense, tax reserves and state taxes.

Net Income/Adjusted EBITDA

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2010	2009		
Net income	$ 373,606	$ 247,127	$ 126,479	51%
Income from discontinued operations, net	(30)	(8,179)	(8,149)	(100)
Income from continuing operations	373,576	238,948	134,628	56
Income from equity method investments	(40)	(26)	14	54
Income tax provision	182,489	182,565	(76)	
Other income	(315)	(1,294)	(979)	(76)
Loss on retirement of long-term obligations	1,886	18,194	(16,308)	(90)
Interest expense	246,018	249,803	(3,785)	(2)
Interest income	(5,024)	(1,722)	3,302	192
Other operating expenses	35,876	19,168	16,708	87
Depreciation, amortization and accretion	460,726	414,619	46,107	11
Stock-based compensation expense	52,555	60,670	(8,115)	(13)
Adjusted EBITDA	$ 1,347,747	$ 1,180,925	$ 166,822	14%

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Net income for the year ended December 31, 2010 increased 51% to $373.6 million. The increase was primarily attributable to an increase in operating profit, as described above, an increase in interest income, partially offset by an increase in depreciation, amortization and accretion.

Adjusted EBITDA for the year ended December 31, 2010 increased 14% to $1,347.7 million. Adjusted EBITDA growth was primarily attributable to the increase in our gross margin (15%) and was partially offset by an increase in selling, general, administrative and development expenses, excluding stock-based compensation expense.

Years Ended December 31, 2009 and 2008 (In thousands)

Revenue

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Rental and management				
Domestic	$ 1,408,352	$ 1,320,530	$ 87,822	7%
International	260,068	226,505	33,563	15
Total rental and management	1,668,420	1,547,035	121,385	8
Network development services	55,694	46,469	9,225	20
Total revenues	$ 1,724,114	$ 1,593,504	$ 130,610	8%

Total revenues for the year ended December 31, 2009 increased 8% to $1,724.1 million. The increase was primarily attributable to an increase in both of our rental and management segments, including organic revenue growth attributable to our legacy sites and revenue growth attributable to the approximately 4,500 new sites that we have constructed or acquired since January 1, 2008. This increase was also a result of an increase in network development services segment revenue.

Domestic rental and management segment revenue for the year ended December 31, 2009 increased 7% to $1,408.4 million. The revenue growth was comprised of:

- Approximately 6% from organic revenue growth, which was due to the incremental revenue generated from adding new tenants to legacy sites, existing tenants adding more equipment to legacy sites and contractual tenant lease escalations, and was partially offset by tenant lease cancellations and straight-line lease accounting; and

- Revenue growth from new sites of 1%, which was a result of the construction or acquisition of approximately 700 new domestic sites since January 1, 2008.

International rental and management segment revenue for the year ended December 31, 2009 increased 15% to $260.1 million. The revenue growth was comprised of:

- Approximately 17% of international rental and management segment revenue growth was attributable to the addition of approximately 3,800 new international sites since January 1, 2008; and

- Approximately 2% from revenue decline for our legacy international sites, as a result of the impact of foreign currency translations experienced during the year ended December 31, 2009. The negative impact of foreign currency translations was partially offset by the growth in our core business, including incremental revenue generated from adding new tenants to legacy sites, existing tenants adding more equipment to legacy sites and contractual rent escalations.

Network development services segment revenue for the year ended December 31, 2009 increased 20% to $55.7 million. The increase was primarily attributable to revenues generated from our expanding site acquisition, zoning and permitting services.

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Gross Margin

	Year Ended December 31,		Amount Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Rental and management				
Domestic	$ 1,096,350	$ 1,016,205	$ 80,145	8%
International	202,290	182,059	20,231	11
Total rental and management	1,298,640	1,198,264	100,376	8
Network development services	23,309	19,638	3,671	19
Total gross margin	$ 1,321,949	$ 1,217,902	$ 104,047	9%

Total gross margin for the year ended December 31, 2009 increased 9% to $1,321.9 million. The increase was primarily attributable to an increase in both of our rental and management segments and an increase in gross margin attributable to our network development services segment.

Domestic rental and management segment gross margin for the year ended December 31, 2009 increased 8% to $1,096.4 million. The growth was primarily attributable to the increase in revenue as described above, and was partially offset by a 3% increase in direct operating costs, of which 2% growth was attributable to expense increases on our legacy domestic sites and 1% growth was attributable to the incremental direct operating costs associated with the addition of approximately 700 new domestic sites since January 1, 2008.

International rental and management segment gross margin for the year ended December 31, 2009 increased 11% to $202.3 million. The growth was primarily attributable to the increase in revenue as described above, and was partially offset by a 23% increase in direct operating costs, which was primarily driven by a 29% increase in direct operating costs attributable to the addition of approximately 3,800 new international sites since January 1, 2008. The increase in costs from new sites was partially offset by a 6% decrease in direct operating expenses associated with our legacy international sites as a result of the impact of foreign currency translations experienced during the year ended December 31, 2009.

Network development services segment gross margin for the year ended December 31, 2009 increased 19% to $23.3 million. The increase was primarily attributable to the gross margin generated from our expanding site acquisition, zoning and permitting services.

Selling, General, Administrative and Development Expense

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Rental and management				
Domestic	$ 55,635	$ 51,666	$ 3,969	8%
International	30,551	16,438	14,113	86
Total rental and management	86,186	68,104	18,082	27
Network development services	5,816	4,351	1,465	34
Other	109,692	107,919	1,773	2
Total selling, general, administrative and development expense	$ 201,694	$ 180,374	$ 21,320	12%

Total selling, general, administrative and development expense for the year ended December 31, 2009 increased 12% to $201.7 million. The increase was primarily attributable to an increase in costs attributable to

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our international rental and management segment, an increase of $5.9 million in stock-based compensation expense, and an increase in costs attributable to our domestic rental and management segment, which were partially offset by a reduction in other corporate expenses.

Domestic rental and management segment selling, general, administrative and development expense for the year ended December 31, 2009 increased 8% to $55.6 million. The increase was primarily attributable to non-recurring legal costs and the write-off of capitalized costs associated with discontinued development projects.

International rental and management segment selling, general, administrative and development expense for the year ended December 31, 2009 increased 86% to $30.6 million. The increase was primarily attributable to an increase in bad debt expense and the write-off of capitalized costs associated with discontinued development projects, as well as costs to support our growing international operations.

Network development services segment selling, general, administrative and development expense for the year ended December 31, 2009 increased 34% to $5.8 million. The increase was primarily attributable to costs incurred to support our expanding site acquisition, zoning and permitting services.

Other selling, general, administrative and development expense for the year ended December 31, 2009 increased 2% to $109.7 million. The increase was primarily attributable to a $5.9 million increase in stock-based compensation expense as a result of a one-time expense recognized upon the modification of certain equity awards in 2009, and was partially offset by a decrease in corporate expenses.

Operating Profit

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Rental and management				
Domestic	$ 1,040,715	$ 964,539	$ 76,176	8%
International	171,739	165,621	6,118	4
Total rental and management	1,212,454	1,130,160	82,294	7
Network development services	17,493	15,287	2,206	14
Total operating profit	$ 1,229,947	$ 1,145,447	$ 84,500	7%

Total operating profit for the year ended December 31, 2009 increased 7% to $1,229.9 million. The increase was primarily attributable to the increase in both our rental and management segments gross margin, and was partially offset by increases in total overhead costs attributable to both our rental and management segments as well as our network development services segment.

Domestic rental and management segment operating profit for the year ended December 31, 2009 increased 8% to $1,040.7 million. The growth was primarily attributable to the increase in gross margin (8%) and was partially offset by increases in selling, general, administrative and developmental expense (8%), as described above.

International rental and management segment operating profit for the year ended December 31, 2009 increased 4% to $171.7 million. The growth was primarily attributable to the increase in gross margin (11%), as described above, and was partially offset by increases in selling, general, and administrative and development expense (86%), as described above.

Network development services segment operating profit for the year ended December 31, 2009 increased 14% to $17.5 million. The increase was primarily attributable to the increase in revenue described above.

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Depreciation, Amortization and Accretion

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Depreciation, amortization and accretion	$ 414,619	$ 405,332	$ 9,287	2%

Depreciation, amortization and accretion for the year ended December 31, 2009 increased 2% to $414.6 million. The increase was primarily attributable to the depreciation, amortization and accretion associated with the acquisition or construction of approximately 3,550 sites since January 1, 2009, which resulted in an increase in property and equipment.

Other Operating Expenses

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Other operating expenses	$ 19,168	$ 11,189	$ 7,979	71%

Other operating expenses for the year ended December 31, 2009 increased 71% to $19.2 million. The increase was primarily attributable to approximately $6.3 million in acquisition related costs which were expensed as a result of new accounting guidance issued by the Financial Accounting Standards Board, or FASB. Approximately $1.2 million of these costs are related to the expensing of amounts which had been recorded as other long-term assets at December 31, 2008 for pending acquisitions and the remaining $5.1 million relates to additional acquisition related costs incurred during the year ended December 31, 2009. Approximately $1.4 million of the increase was attributable to an increase in impairments and losses on the sale of assets.

Interest Expense

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Interest expense	$ 249,803	$ 253,584	$ (3,781)	(1%)

Interest expense for the year ended December 31, 2009, decreased 1% to $249.8 million. The decrease was primarily attributable to a reduction in average outstanding debt, partially offset by an increase in our weighted average cost of borrowing to 5.82% from the previous year.

Loss on Retirement of Long-term Obligations

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Loss on retirement of long-term obligations	$ 18,194	$ 4,904	$ 13,290	271%

Loss on retirement of long-term obligations for the year ended December 31, 2009 increased 271% to $18.2 million as a result of amounts paid in excess of carrying value and the write-off of the related deferred financing fees, discounts and premiums. The increase was primarily attributable to an increase in refinancing activities during 2009, which included our tender offer and subsequent redemption of $225.0 million principal amount of our 7.50% senior notes due 2012 for an aggregate purchase price of $231.7 million, and our repurchase of an aggregate of $500.0 million principal amount of our 7.125% senior notes due 2012 for an aggregate purchase price of $511.7 million.

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During the year ended December 31, 2008, holders of approximately $18.3 million principal amount of our 3.25% convertible notes due August 1, 2010 and $182.8 million principal amount of our 3.00% convertible notes due August 15, 2012 converted their notes into shares of our Class A common stock. In connection with conversions of a portion of these notes, we paid holders an aggregate of approximately $4.9 million, calculated based on the discounted value of the future interest payments on their notes.

Income Tax Provision

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Income tax provision	$ 182,565	$ 135,509	$ 47,056	35%
Effective tax rate	43.3%	36.4%		

The income tax provision for the year ended December 31, 2009 increased 35% to $182.6 million. The effective tax rate for the year ended December 31, 2009 increased to 43.3% from 36.4%. The increase in the effective tax rate was primarily due to the discrete impact of foreign currency exchange rate fluctuations on certain tax items, IRS audit adjustments and certain valuation allowances, partially offset by the decrease in tax reserves. In addition, the increase in the income tax provision correlates to the increase in income during the year ended December 31, 2009.

The effective tax rates on income from continuing operations for the years ended December 31, 2009 and December 31, 2008 differ from the federal statutory rate due primarily to adjustments for foreign items, non-deductible stock-based compensation expense, IRS audit adjustments of approximately $10.0 million, tax reserves and state taxes.

Income from Discontinued Operations, Net

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2009	2008		
Income from discontinued operations, net	$ 8,179	$ 110,982	$ (102,803)	(93%)

Income from discontinued operations, net for the year ended December 31, 2009 decreased 93% to $8.2 million. This decrease is primarily attributable to the recording of an income tax benefit of $110.1 million during the year ended December 31, 2008, related to losses associated with our investment in our wholly owned subsidiary, Verestar, Inc., or Verestar. Verestar filed for protection under Chapter 11 of the federal bankruptcy laws in December 2003. During 2007, we settled the litigation related to the Verestar bankruptcy. In April 2008, the bankruptcy court approved Verestar s plan of liquidation and in December 2008, Verestar was liquidated. The $102.8 million decrease was partially offset by an insurance reimbursement received during the year ended December 31, 2009 for approximately $5.0 million related to the Verestar bankruptcy settlement.

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Net Income/Adjusted EBITDA

	Year Ended December 31, 2009	Year Ended December 31, 2008	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 247,127	$ 347,415	$ (100,288)	(29%)
Income from discontinued operations, net	(8,179)	(110,982)	(102,803)	(93)
Income from continuing operations	238,948	236,433	2,515	1
Income from equity method investments	(26)	(22)	4	18
Income tax provision	182,565	135,509	47,056	35
Other income	(1,294)	(5,988)	(4,694)	(78)
Loss on retirement of long-term obligations	18,194	4,904	13,290	271
Interest expense	249,803	253,584	(3,781)	(1)
Interest income	(1,722)	(3,413)	(1,691)	(50)
Other operating expenses	19,168	11,189	7,979	71
Depreciation, amortization and accretion	414,619	405,332	9,287	2
Stock based compensation expense	60,670	54,807	5,863	11
Adjusted EBITDA	$ 1,180,925	$ 1,092,335	$ 88,590	8%

Net income for the year ended December 31, 2009 decreased 29% to $247.1 million. The decrease was primarily attributable to the decrease in income from discontinued operations, net from the prior year period, which as described above, was primarily attributable to an income tax benefit recognized in 2008, related to losses associated with our investment in our wholly owned subsidiary, Verestar, Inc.

Adjusted EBITDA for the year ended December 31, 2009 increased 8% to $1,180.9 million. Adjusted EBITDA growth was primarily attributable to the increase in our gross margin (9%), and was partially offset by an increase in selling, general, administrative and development expenses (12%).

Liquidity and Capital Resources

Overview

As a holding company, our cash flows are derived primarily from the operations of, and distributions from, our operating subsidiaries or funds raised through borrowings under our credit facilities and debt and equity offerings. As of June 30, 2011, we had approximately $2,304.5 million of total liquidity, comprised of approximately $332.5 million in cash and cash equivalents, the ability to borrow approximately $972.0 million under our Revolving Credit Facility and up to $1,000.0 million under our Supplemental Credit Facility. As of December 31, 2010, we had approximately $1,801.7 million of total liquidity, comprised of approximately $844.0 million in cash and cash equivalents and the ability to borrow approximately $917.7 million under our Revolving Credit Facility. Summary cash flow information for the six months ended June 30, 2011 and 2010 and for the years ended December 31, 2010, 2009 and 2008 is set forth below (in thousands).

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net cash provided by (used for):					
Operating activities	$ 559,338	$ 516,396	$ 1,020,977	$ 842,126	$ 773,258
Investing activities	(1,057,287)	(286,910)	(1,300,902)	(543,066)	(274,940)
Financing activities	(57,380)	(174,863)	910,330	(194,942)	(388,172)
Net effect of changes in exchange rates on cash and cash equivalents	3,908	977	6,265	98	(192)
Net (decrease) increase in cash and cash equivalents	$ (551,421)	$ 55,600	$ 636,670	$ 104,216	$ 109,954

We use our cash flows to fund our operations and investments in our business, including tower maintenance and improvements, tower construction, DAS network installations, and tower and land acquisitions. We also use our cash flows to fund refinancings and repurchases of our outstanding indebtedness, as well as our stock repurchase programs.

As of June 30, 2011, we had total outstanding indebtedness of approximately $5.7 billion. During the six months ended June 30, 2011 and the year ended December 31, 2010, we generated sufficient cash flow from operations to fund our capital expenditures and cash interest obligations. We believe the cash generated by operations during the next 12 months will be sufficient to fund our capital expenditures and our cash debt service (interest and principal repayments) obligations for the next 12 months.

During the years ended December 31, 2010 and 2009, we also used our cash flows to refinance our outstanding indebtedness, fund acquisitions and fund our stock repurchase program. Our significant financing transactions in 2010 included the following:

- We extended the maturity dates and lowered the cost of our debt by completing two registered offerings of $700.0 million aggregate principal amount of our 5.05% senior notes due 2020, or 5.05% Notes, and $1.0 billion aggregate principal amount of our 4.50% senior notes due 2018, or 4.50% Notes.

- We repurchased approximately 9.3 million shares of our Class A common stock for an aggregate purchase price of $420.8 million, including commissions and fees, pursuant to our 2008 Buyback, as defined below.

As of December 31, 2010, we had total outstanding indebtedness of approximately $5.6 billion. We generated sufficient cash flow from operations to fund our capital expenditures and cash interest obligations in 2010. We believe our cash generated by operations for the year ending December 31, 2011 also will be sufficient to fund our capital expenditures and our cash debt service (interest and principal repayments) obligations for 2011.

Cash Flows from Operating Activities

For the six months ended June 30, 2011, cash provided by operating activities was $559.3 million, an increase of $42.9 million as compared to the six months ended June 30, 2010. This increase was primarily attributable to an increase of $139.2 million in the operating profit of our operating segments, partially offset by an increase in our net deferred rent asset.

Our domestic and international rental and management segments and network development services segment are expected to generate cash flows from operations during 2011 in excess of their cash needs for operations and expenditures for tower construction and improvements.

For the year ended December 31, 2010, cash provided by operating activities was $1,021.0 million, an increase of $178.9 million as compared to the year ended December 31, 2009. This increase was primarily comprised of an increase of $180.5 million in the operating profit of our operating segments, partially offset by an increase in the amount spent to meet working capital needs.

For the year ended December 31, 2009, cash provided by operating activities was $842.1 million, an increase of approximately $68.9 million as compared to the year ended December 31, 2008. This increase was primarily comprised of an increase of $84.5 million in the operating profit of our operating segments, partially offset by an increase in the amount spent to meet working capital needs.

Cash Flows from Investing Activities

For the six months ended June 30, 2011, cash used for investing activities was $1,057.3 million, an increase of $770.4 million as compared to the six months ended June 30, 2010. This increase was primarily attributable to increased spending for acquisitions during the six months ended June 30, 2011.

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During the six months ended June 30, 2011, payments for purchases of property and equipment and construction activities totaled $236.6 million, including $132.0 million of capital expenditures for discretionary capital projects, such as completion of the construction of approximately 470 communications sites, $48.6 million to acquire land under our towers that was subject to ground agreements (including leases), $33.1 million for capital improvements and corporate capital expenditures and $22.9 million related to redevelopment of our existing communications sites to accommodate new tenant equipment. In addition, during the six months ended June 30, 2011, we spent $892.6 million to acquire approximately 2,500 communications sites in the United States, Brazil, Chile, Colombia, Ghana and South Africa.

For the year ended December 31, 2010, cash used for investing activities was $1,300.9 million, an increase of approximately $757.8 million, as compared to the year ended December 31, 2009. This increase was primarily comprised of increased spending for acquisitions, property and equipment and construction activities during the year ended December 31, 2010.

During the year ended December 31, 2010, payments for purchases of property and equipment and construction activities totaled $346.7 million, including $43.0 million of capital expenditures related to capital improvements and corporate capital expenditures primarily attributable to information technology improvements, $194.4 million spent in connection with the construction of over 1,000 towers, the installation of approximately 30 in-building DAS networks and the installation of shared back-up power generators, $83.5 million spent to acquire land under our towers that was subject to ground agreements (including leases) and $25.8 million for the redevelopment of existing sites to accommodate new customer equipment. In addition, during the year ended December 31, 2010, we spent $420.7 million, net of $106.6 million cash acquired, to acquire Essar Telecom Infrastructure Private Limited and $585.5 million to acquire approximately 2,100 additional towers.

For the year ended December 31, 2009, cash used for investing activities was $543.1 million, an increase of approximately $268.1 million, as compared to the year ended December 31, 2008. This increase was primarily comprised of increased spending for acquisitions, property and equipment and construction activities during the year ended December 31, 2009.

During the year ended December 31, 2009, payments for purchases of property and equipment and construction activities totaled $250.3 million, including $63.8 million of capital expenditures related to the maintenance, improvement and redevelopment of our existing communications sites, $129.9 million spent in connection with the construction of 1,024 towers, the installation of 21 in-building DAS networks and the installation of shared back-up power generators, $49.1 million spent to acquire land under our towers that was subject to ground agreements (including leases), and $7.5 million spent on information technology improvements. In addition, during the year-ended December 31, 2009, we spent $98.0 million, net of $6.0 million cash acquired, to acquire XCEL, $19.9 million, net of $0.2 million cash acquired, to acquire Insight Infrastructure Pte. Ltd., and $183.9 million to acquire 522 additional towers.

We plan to continue to allocate our available capital among investment alternatives that meet our return on investment criteria. Accordingly, we may continue to acquire communications sites, acquire land under our towers, build or install new communications sites and redevelop or improve existing communications sites when the expected returns on such investments meet our return on investment criteria. We expect that our 2011 total capital expenditures will be between approximately $400 million and $450 million, including between $65 million and $75 million for capital improvements and corporate capital expenditures, approximately $55 million for the redevelopment of existing communications sites, between $80 million and $100 million for ground lease purchases and between $180 million and $240 million for other discretionary capital projects including the construction of approximately 1,200 to 1,500 new communications sites. We expect that we will spend approximately $240 million during the remainder of 2011 to acquire up to 1,476 towers in Ghana from MTN Group Limited (MTN Group), of which 770 towers were purchased on August 11, 2011, and 405 towers in South Africa from Cell C (Pty) Limited, or Cell C, of which 329 towers were purchased on July 25, 2011. In addition, the Company entered into a definitive agreement with Colombia Movil S.A. E.S.P. on July 17, 2011 to purchase up to 2,126 towers. The Company expects to close on the first tranche of towers during the fourth quarter of 2011, subject to customary closing conditions.

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Cash Flows from Financing Activities

For the six months ended June 30, 2011, cash used for financing activities was $57.4 million, as compared to cash used for financing activities of $174.9 million during the six months ended June 30, 2010. The $57.4 million of cash used for financing activities during the six months ended June 30, 2011 primarily related to payments for the repurchase of our Class A common stock of $231.6 million, which consisted of $220.9 million ($224.7 million, including commissions and fees, offset by an increase in accrued treasury stock of $3.8 million) of repurchases under our stock repurchase program and $10.7 million of amounts surrendered for the satisfaction of employee tax obligations in connection with the vesting of restricted stock units, and the repayment of notes payable, credit facilities, and capital leases of $127.6 million, partially offset by proceeds from short-term borrowings of $101.1 million, borrowings under our Revolving Credit Facility of $100.0 million, proceeds from stock options, warrants and stock purchase plans of $40.2 million and proceeds from other long-term borrowings of $30.2 million.

For the year ended December 31, 2010, cash provided by financing activities was $910.3 million, as compared to cash used for financing activities of approximately $194.9 million for the year ended December 31